

State of Arizona  
Senate  
Forty-fifth Legislature  
Second Regular Session  
2002

CHAPTER 219

**SENATE BILL 1427**

AN ACT

AMENDING SECTIONS 6-1201, 6-1203, 6-1205.01, 6-1219, 6-1241, 13-107, 13-902, 13-1105, 13-2301, 13-2308.01, 13-2314.04, 13-2317, 13-2512, 13-3001, 13-3012, 13-3017, 13-3102, 13-3704, 13-3919, 13-3961, 26-168, 41-1750 AND 48-805, ARIZONA REVISED STATUTES; AMENDING TITLE 13, CHAPTER 29, ARIZONA REVISED STATUTES, BY ADDING SECTION 13-2925; RELATING TO DOMESTIC SECURITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-1201, Arizona Revised Statutes, is amended to  
3 read:

4 6-1201. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Authorized delegate" means a person designated by the licensee  
7 under section 6-1208.

8 2. "Check cashing" means exchanging for compensation a check, debit  
9 card payment order, draft, money order, traveler's check or payment  
10 instrument of a licensee for money delivered to the presenter at the time and  
11 place of the presentation.

12 3. "Control" means ownership of fifteen per cent or more of a licensee  
13 or controlling person, or the power to vote fifteen per cent or more of the  
14 outstanding voting securities of a licensee or controlling person. For the  
15 purpose of determining the percentage controlled by any one person, that  
16 person's interest shall be aggregated with the interest of any other person  
17 controlled by that person or an officer, partner or authorized delegate of  
18 that person, or by a spouse, parent or child of that person.

19 4. "Controlling person" means a person directly or indirectly in  
20 control of a licensee.

21 5. "Engage in the business" means conducting activities regulated  
22 under this chapter more than ten times in any calendar year for compensation  
23 or in the expectation of compensation. For purposes of this paragraph,  
24 "compensation" means any fee, commission or other benefit.

25 6. "Foreign money exchange" means exchanging for compensation money  
26 of the United States government or a foreign government to or from money of  
27 another government at a conspicuously posted exchange rate at the time and  
28 place of the presentation of the money to be exchanged.

29 7. "Licensee" means a person licensed under this chapter.

30 8. "Location" means a place of business at which activity regulated  
31 by this chapter occurs.

32 9. "Money" means a medium of exchange that is authorized or adopted  
33 by a domestic or foreign government as a part of its currency and that is  
34 customarily used and accepted as a medium of exchange in the country of  
35 issuance.

36 10. "MONEY ACCUMULATION BUSINESS" MEANS OBTAINING MONEY FROM A MONEY  
37 TRANSMITTER AS PART OF ANY ACTIVITY THAT IS CARRIED ON FOR FINANCIAL GAIN IF  
38 THE MONEY THAT IS OBTAINED BY ALL PERSONS ACTING IN CONCERT IN THE ACTIVITY,  
39 IN AMOUNTS OF ONE THOUSAND DOLLARS OR MORE, TOTALS OVER FIFTY THOUSAND  
40 DOLLARS IN THE PRECEDING TWELVE-MONTH PERIOD. MONEY ACCUMULATION BUSINESS  
41 DOES NOT INCLUDE A PERSON WHO IS SUBJECT TO THE REPORTING REQUIREMENTS UNDER  
42 31 UNITED STATES CODE SECTION 5313. THE EXCEPTION THAT IS ESTABLISHED BY 31  
43 UNITED STATES CODE SECTION 5331, SUBSECTION (c), PARAGRAPH 1 DOES NOT APPLY  
44 TO PERSONS WHO ARE ENGAGED IN THE MONEY ACCUMULATION BUSINESS.

1       ~~10.~~ 11. "Money transmitter" means a person who is located or doing  
2 business in this state, including a check casher and a foreign money  
3 exchanger, and who does any of the following:

4       (a) Sells or issues payment instruments.

5       (b) Engages in the business of receiving money for the transmission  
6 of or transmitting money.

7       (c) Engages in the business of exchanging payment instruments or money  
8 into any form of money or payment instrument.

9       (d) Engages in the business of receiving money for obligors for the  
10 purpose of paying that obligor's bills, invoices or accounts.

11       (e) Meets the definition of a bank, financial agency or financial  
12 institution as prescribed by 31 United States Code section 5312 or 31 Code  
13 of Federal Regulations section 103.11.

14       ~~11.~~ 12. "Outstanding payment instruments" means unpaid payment  
15 instruments whose sale has been reported to a licensee.

16       ~~12.~~ 13. "Payment instrument" means a check, draft, money order,  
17 traveler's check or other instrument or order for the transmission or payment  
18 of money sold to one or more persons whether or not that instrument or order  
19 is negotiable. Payment instrument does not include an instrument that is  
20 redeemable by the issuer in merchandise or service, a credit card voucher or  
21 a letter of credit.

22       ~~13.~~ 14. "Permissible investment" means any of the following:

23       (a) Money on hand or on deposit in the name of the licensee.

24       (b) Certificates of deposit or other debt instruments of a bank,  
25 savings and loan association or credit union.

26       (c) Bills of exchange or time drafts that are drawn on and accepted  
27 by a bank, otherwise known as banker's acceptances, and that are eligible for  
28 purchase by member banks of the federal reserve system.

29       (d) Commercial paper bearing a rating of one of the three highest  
30 grades as defined by a nationally recognized organization that rates these  
31 securities.

32       (e) Securities, obligations or other instruments whose payment is  
33 guaranteed by the general taxing authority of the issuer, of the United  
34 States or of any state or by any other governmental entity or any political  
35 subdivision or instrumentality of a governmental entity and that bear a  
36 rating of one of the three highest grades by a nationally recognized  
37 investment service organization that has been engaged regularly in rating  
38 state and municipal issues for at least five years.

39       (f) Stocks, bonds or other obligations of a corporation organized in  
40 any state of the United States, the District of Columbia, the Commonwealth  
41 of Puerto Rico or the several territories organized by Congress that bear a  
42 rating of one of the three highest grades by a nationally recognized  
43 investment service organization that has been engaged regularly in rating  
44 corporate securities for at least five years.

1 (g) Any receivable that is due to a licensee from its authorized  
2 delegate pursuant to a contract between the licensee and authorized delegate  
3 as prescribed in section 6-1208 if the amount of investment in those  
4 receivables does not exceed ninety per cent of the total amount of those  
5 receivables after subtracting the amount of those receivables that are past  
6 due or doubtful of collection.

7 ~~14.~~ 15. "Responsible individual" means a person who is employed by a  
8 licensee and who has principal active management authority over the business  
9 of the licensee in this state that is regulated under this chapter.

10 16. "TRADE OR BUSINESS" HAS THE SAME MEANING PRESCRIBED IN SECTION 162  
11 OF THE INTERNAL REVENUE CODE OF 1954 AND INCLUDES THE MONEY ACCUMULATION  
12 BUSINESS.

13 ~~15.~~ 17. "Transmitting money" means the transmission of money by any  
14 means including transmissions within this country or to or from locations  
15 abroad by payment instrument, wire, facsimile or INTERNET OR ANY OTHER  
16 electronic transfer, courier or otherwise.

17 ~~16.~~ 18. "Traveler's check" means an instrument identified as a  
18 traveler's check on its face or commonly recognized as a traveler's check and  
19 issued in a money multiple of United States or foreign currency with a  
20 provision for a specimen signature of the purchaser to be completed at the  
21 time of purchase and a countersignature of the purchaser to be completed at  
22 the time of negotiation.

23 Sec. 2. Section 6-1203, Arizona Revised Statutes, is amended to read:

24 6-1203. Exemptions

25 A. This chapter does not apply to:

- 26 1. The United States or any department or agency of the United States.  
27 2. This state, including any political subdivision of this state.

28 B. This chapter does not apply to the following if engaged in the  
29 regular course of their respective businesses, except that the following are  
30 ~~subject to the requirements~~ PROVISIONS of article 2 of this chapter APPLY TO:

31 1. A bank, financial institution holding company, credit union,  
32 savings and loan association or savings bank, whether organized under the  
33 laws of any state or the United States WHEN THE TERM "MONEY TRANSMITTER" IS  
34 USED.

35 2. A person who engages in check cashing or foreign money exchange and  
36 engages in other activity regulated under this chapter only as an authorized  
37 delegate of a licensee acting within the scope of the contract between the  
38 authorized delegate and the licensee.

39 3. A person licensed pursuant to chapter 5, 6, 7 or 8 of this title,  
40 chapter 9, article 2 of this title, chapter 12.1 of this title or title 32,  
41 chapter 9.

1       Sec. 3. Section 6-1205.01, Arizona Revised Statutes, is amended to  
2 read:

3       6-1205.01. Net worth requirements

4       A. Each applicant for a license shall have and each licensee shall  
5 maintain at all times a net worth of at least one hundred thousand dollars,  
6 calculated according to generally accepted accounting principles.

7       B. Any licensee who is engaged in the business regulated under this  
8 chapter at more than one location pursuant to section 6-1207 or through  
9 authorized delegates pursuant to section 6-1208 shall have an additional net  
10 worth of fifty thousand dollars for each location or agent AUTHORIZED  
11 DELEGATE located in this state, as applicable, to a maximum of five hundred  
12 thousand dollars.

13       C. A LICENSEE WHOSE BUSINESS CONDUCTS A TOTAL OF MORE THAN FIVE  
14 HUNDRED THOUSAND DOLLARS IN TRANSACTIONS THAT INVOLVE TRANSMITTING MONEY IN  
15 AN AMOUNT OF ONE THOUSAND DOLLARS OR MORE DURING THE PRECEDING YEAR SHALL  
16 MAINTAIN NET WORTH IN ADDITION TO THE AMOUNTS REQUIRED BY SUBSECTIONS A AND  
17 B OF THIS SECTION. THE ADDITIONAL NET WORTH SHALL BE NOT LESS THAN TEN PER  
18 CENT OF THE TOTAL OF SUCH TRANSACTIONS CONDUCTED IN THIS STATE, CALCULATED  
19 ACCORDING TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO A MAXIMUM OF FIVE  
20 HUNDRED THOUSAND DOLLARS.

21       Sec. 4. Section 6-1219, Arizona Revised Statutes, is amended to read:

22       6-1219. Violation; classification

23       ~~A. A person who knowingly makes a false statement, misrepresentation~~  
24 ~~or false certification in any application, financial statement, account~~  
25 ~~record, customer receipt, report or other document filed or required to be~~  
26 ~~maintained or filed under this chapter or who knowingly makes a false entry~~  
27 ~~or omits a material entry in any such document is guilty of a class 3 felony.~~

28       B. A person who refuses to permit any lawful investigation by the  
29 superintendent, A COUNTY ATTORNEY or THE attorney general OR WHO REFUSES TO  
30 MAKE RECORDS AVAILABLE TO THE SUPERINTENDENT, A COUNTY ATTORNEY OR THE  
31 ATTORNEY GENERAL PURSUANT TO SECTION 6-1241, SUBSECTION H is guilty of a  
32 class 6 felony.

33       Sec. 5. Section 6-1241, Arizona Revised Statutes, is amended to read:

34       6-1241. Reports to the attorney general; violation;  
35 classification

36       A. WITHIN THIRTY DAYS AFTER ANY TRANSACTION OR SERIES OR PATTERN OF  
37 TRANSACTIONS THAT IS CONDUCTED OR ATTEMPTED BY, AT OR THROUGH THE BUSINESS  
38 AND THAT INVOLVES OR AGGREGATES FIVE THOUSAND DOLLARS OR MORE IN FUNDS OR  
39 OTHER ASSETS, each licensee and authorized delegate of a licensee and each  
40 money transmitter shall file with the attorney general's office in a form  
41 prescribed by the attorney general a report of ~~any suspicious activity or~~  
42 ~~business conducted by a customer that~~ THE TRANSACTION OR SERIES OR PATTERN  
43 OF TRANSACTIONS IF the licensee, authorized delegate or money transmitter  
44 believes KNOWS, SUSPECTS OR HAS REASON TO SUSPECT THAT THE ACTIVITY EITHER:

1           1. INVOLVES FUNDS THAT ARE DERIVED FROM ILLEGAL ACTIVITIES, IS  
2 INTENDED OR CONDUCTED IN ORDER TO HIDE OR DISGUISE FUNDS OR OTHER ASSETS THAT  
3 ARE DERIVED FROM ILLEGAL ACTIVITIES, INCLUDING, WITHOUT LIMITATION, THE  
4 OWNERSHIP, NATURE, SOURCE, LOCATION OR CONTROL OF THE FUNDS OR OTHER ASSETS,  
5 AS PART OF A PLAN TO VIOLATE OR EVADE ANY LAW OR REGULATION OR TO AVOID ANY  
6 TRANSACTION REPORTING REQUIREMENT UNDER THIS CHAPTER OR may constitute a  
7 possible money laundering violation ~~as provided in~~ UNDER section 13-2317 or  
8 other racketeering violation as defined in section 13-2301. ~~That report~~  
9 ~~shall be filed within fifteen days of the suspicious activity.~~

10           2. HAS NO BUSINESS OR APPARENT LAWFUL PURPOSE OR IS NOT THE SORT OF  
11 ACTIVITY IN WHICH THE PARTICULAR CUSTOMER WOULD NORMALLY BE EXPECTED TO  
12 ENGAGE AND THE LICENSEE, AUTHORIZED DELEGATE OR MONEY TRANSMITTER KNOWS OF  
13 NO REASONABLE EXPLANATION FOR THE ACTIVITY AFTER EXAMINING THE AVAILABLE  
14 FACTS, INCLUDING THE BACKGROUND AND POSSIBLE PURPOSE OF THE ACTIVITY.

15           B. A licensee, authorized delegate or money transmitter that is  
16 required to file a report regarding business conducted in this state pursuant  
17 to the currency and foreign transactions reporting act, (31 United States  
18 Code sections 5311 through 5326, INCLUDING ANY SPECIAL MEASURES THAT ARE  
19 ESTABLISHED UNDER 31 UNITED STATES CODE SECTION 5318A, and 31 Code of Federal  
20 Regulations part 103 or 12 Code of Federal Regulations section 21.11,) shall  
21 file a duplicate of that report with the attorney general.

22           C. All persons WHO ARE engaged in a trade or business AND who receive  
23 more than ten thousand dollars in money in one transaction or who receive  
24 more than ten thousand dollars in money through two or more related  
25 transactions shall complete and file with the attorney general the  
26 information required by ~~26 United States Code section 60501 and 26 code of~~  
27 ~~federal regulations section 1.60501~~ 31 UNITED STATES CODE SECTION 5331 AND  
28 THE FEDERAL REGULATIONS RELATING TO THIS SECTION concerning returns REPORTS  
29 relating to cash received in trade or business.

30           D. A licensee, authorized delegate or money transmitter that is  
31 regulated under the currency and foreign transaction TRANSACTIONS reporting  
32 act, (31 United States Code section 5325 and 31 Code of Federal Regulations  
33 part 103,) and that is required to make available prescribed records to the  
34 secretary of the United States department of treasury on request at any time  
35 shall follow the same prescribed procedures and create and maintain the same  
36 prescribed records relating to ~~a~~ EACH transaction and ~~shall make those~~  
37 ~~records available to the attorney general on request at any time.~~

38           E. IN ADDITION TO THE REQUIREMENTS UNDER SUBSECTION D OF THIS SECTION  
39 AND IN CONNECTION WITH EACH TRANSACTION THAT INVOLVES TRANSMITTING MONEY IN  
40 AN AMOUNT OF ONE THOUSAND DOLLARS OR MORE, WHETHER SENDING OR RECEIVING, A  
41 LICENSEE OR, FOR TRANSACTIONS CONDUCTED THROUGH AN AUTHORIZED DELEGATE, AN  
42 AUTHORIZED DELEGATE SHALL RETAIN A RECORD OF EACH OF THE FOLLOWING:

43           1. THE NAME AND SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER, IF  
44 ANY, OF THE INDIVIDUAL PRESENTING THE TRANSACTION AND THE PERSON AND THE  
45 ENTITY ON WHOSE BEHALF THE TRANSACTION IS TO BE EFFECTED.

1           2. THE TYPE AND NUMBER OF THE CUSTOMER'S VERIFIED PHOTOGRAPHIC  
2 IDENTIFICATION, AS DESCRIBED IN 31 CODE OF FEDERAL REGULATIONS SECTION  
3 103.28.

4           3. THE CUSTOMER'S CURRENT OCCUPATION.

5           4. THE CUSTOMER'S CURRENT RESIDENTIAL ADDRESS.

6           5. THE CUSTOMER'S SIGNATURE.

7           F. SUBSECTION E OF THIS SECTION DOES NOT APPLY TO TRANSACTIONS BY  
8 WHICH THE LICENSEE'S CUSTOMER IS MAKING A BILL PAYMENT EITHER TO A COMMERCIAL  
9 CREDITOR PURSUANT TO A CONTRACT BETWEEN THE LICENSEE AND THE COMMERCIAL  
10 CREDITOR OR TO A UTILITY COMPANY.

11           G. EACH LICENSEE SHALL CREATE RECORDS THAT REFLECT THE PROVISION OF  
12 UPDATED OPERATING POLICIES AND PROCEDURES PURSUANT TO SECTION 6-1208,  
13 SUBSECTION B AND OF INSTRUCTION THAT PROMOTES COMPLIANCE WITH THIS CHAPTER,  
14 TITLE 13, CHAPTER 23 AND 31 UNITED STATES CODE SECTION 5318, INCLUDING THE  
15 IDENTIFICATION OF THE PROVIDER AND THE MATERIAL AND INSTRUCTION THAT WAS  
16 PROVIDED.

17           H. ON REQUEST OF THE ATTORNEY GENERAL, A COUNTY ATTORNEY OR THE  
18 SUPERINTENDENT, A LICENSEE, AUTHORIZED DELEGATE OR MONEY TRANSMITTER SHALL  
19 MAKE ANY RECORDS THAT ARE CREATED PURSUANT TO THIS SECTION AVAILABLE TO THE  
20 ATTORNEY GENERAL, A COUNTY ATTORNEY OR THE SUPERINTENDENT AT ANY TIME.

21           I. A LICENSEE OR, FOR TRANSACTIONS CONDUCTED THROUGH AN AUTHORIZED  
22 DELEGATE, AN AUTHORIZED DELEGATE SHALL MAINTAIN ANY CUSTOMER IDENTIFICATION  
23 RECORDS THAT ARE CREATED PURSUANT TO SUBSECTION E OF THIS SECTION FOR THREE  
24 YEARS. AFTER THREE YEARS, THE LICENSEE OR, FOR TRANSACTIONS CONDUCTED  
25 THROUGH AN AUTHORIZED DELEGATE, THE AUTHORIZED DELEGATE SHALL DELIVER THE  
26 CUSTOMER IDENTIFICATION RECORDS TO THE ATTORNEY GENERAL. THE ATTORNEY  
27 GENERAL SHALL MAKE THE RECORDS AVAILABLE ON REQUEST TO THE SUPERINTENDENT OR  
28 A COUNTY ATTORNEY BUT SHALL NOT OTHERWISE DISTRIBUTE THE CUSTOMER  
29 IDENTIFICATION RECORDS WITHOUT A COURT ORDER. THE CUSTOMER IDENTIFICATION  
30 RECORDS SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN FOR CRIMINAL AND CIVIL  
31 PROSECUTION AND THE PREVENTION AND DETECTION OF FRAUD AND OTHER CRIMINAL  
32 CONDUCT.

33           ~~E.~~ J. If the superintendent OR THE ATTORNEY GENERAL finds that  
34 reasonable grounds exist for requiring additional record keeping and  
35 reporting in order to carry out the purposes of this chapter and to prevent  
36 the evasion of this chapter, the superintendent OR THE ATTORNEY GENERAL may:

37           1. Issue an order requiring any group of licensees, authorized  
38 delegates or money transmitters in a geographic area to do any of the  
39 following:

40           ~~1.~~ (a) Obtain information regarding transactions that involve total  
41 dollar amounts or denominations of five hundred dollars or more, including  
42 the names of any persons participating in those transactions.

43           ~~2.~~ (b) Maintain records of that information for at least five years  
44 and make those records available to the attorney general and the  
45 superintendent.

1       3. (c) File a report with the attorney general and the superintendent  
2 regarding any transaction in the manner prescribed in the superintendent's  
3 order.

4       2. ISSUE AN ORDER EXEMPTING ANY GROUP OF LICENSEES OR AUTHORIZED  
5 DELEGATES FROM THE REQUIREMENTS OF SUBSECTION E OF THIS SECTION BASED ON THE  
6 GEOGRAPHIC AREA, THE VOLUME OF BUSINESS CONDUCTED, THE RECORD OF COMPLIANCE  
7 WITH THE REPORTING REQUIREMENTS OF THIS CHAPTER AND OTHER OBJECTIVE CRITERIA.

8       ~~F.~~ K. An order issued by ~~the superintendent~~ pursuant to subsection  
9 ~~E~~ J of this section is not effective for more than sixty ONE HUNDRED EIGHTY  
10 days unless renewed by ~~the superintendent~~ after finding that reasonable  
11 grounds exist for continuation of the order.

12       ~~G.~~ L. The timely filing of a report required by this section with the  
13 appropriate federal agency shall be deemed compliance with the reporting  
14 requirements of this section, unless the attorney general has notified the  
15 superintendent that reports of that type are not regularly and  
16 comprehensively transmitted by that federal agency to the attorney general.

17       ~~H.~~ M. This chapter does not preclude a licensee, authorized delegate,  
18 money transmitter, financial institution or person engaged in a trade or  
19 business from instituting contact with and disclosing customer financial  
20 records to appropriate state or local law enforcement agencies if the  
21 licensee, authorized delegate, money transmitter, financial institution or  
22 person has information that may be relevant to a possible violation of any  
23 criminal statute or to the evasion or attempted evasion of any reporting  
24 requirement of this chapter.

25       ~~I.~~ N. A licensee, authorized delegate, money transmitter, financial  
26 institution, person engaged in a trade or business or DIRECTOR, officer,  
27 employee, agent or authorized delegate of any of them that keeps or files a  
28 record as prescribed by this section, or that communicates or discloses  
29 information or records under subsection ~~H~~ M of this section OR THAT REQUIRES  
30 ANOTHER TO MAKE ANY SUCH DISCLOSURE is not liable to its customer, to a state  
31 or local agency or to any person for any loss or damage caused in whole or  
32 in part by the making, filing or governmental use of the report, or any  
33 information contained in that report ANY PERSON UNDER ANY LAW OR RULE OF THIS  
34 STATE OR ANY POLITICAL SUBDIVISION OF THIS STATE OR UNDER ANY CONTRACT OR  
35 OTHER LEGALLY ENFORCEABLE AGREEMENT, INCLUDING ANY ARBITRATION AGREEMENT, FOR  
36 THE DISCLOSURE OR FOR THE FAILURE TO PROVIDE NOTICE OF THE DISCLOSURE TO THE  
37 PERSON WHO IS THE SUBJECT OF THE DISCLOSURE OR TO ANY OTHER PERSON WHO IS  
38 IDENTIFIED IN THE DISCLOSURE. THIS SUBSECTION SHALL BE CONSTRUED TO BE  
39 CONSISTENT WITH 31 UNITED STATES CODE SECTION 5318 (g)(3).

40       ~~J.~~ O. The attorney general may report any possible violations  
41 indicated by analysis of the reports required by this chapter to any  
42 appropriate law enforcement agency for use in the proper discharge of its  
43 official duties. IF AN OFFICER OR EMPLOYEE OF THIS STATE OR ANY POLITICAL  
44 SUBDIVISION OF THIS STATE RECEIVES A REPORT PURSUANT TO 31 UNITED STATES CODE  
45 SECTION 5318(g), THE REPORT SHALL BE DISCLOSED ONLY AS PROVIDED IN 31 UNITED



1 STATES CODE SECTION 5318(g). A person who releases information received  
2 pursuant to this subsection except in the proper discharge of his official  
3 duties is guilty of a class 2 misdemeanor.

4 P. THE REQUIREMENTS OF THIS SECTION SHALL BE CONSTRUED TO BE  
5 CONSISTENT WITH THE REQUIREMENTS OF THE CURRENCY AND FOREIGN TRANSACTIONS  
6 REPORTING ACT, 31 UNITED STATES CODE SECTIONS 5311 THROUGH 5326 AND FEDERAL  
7 REGULATIONS PRESCRIBED UNDER THOSE SECTIONS UNLESS THE CONTEXT OTHERWISE  
8 REQUIRES.

9 Sec. 6. Section 13-107, Arizona Revised Statutes, is amended to read:

10 13-107. Time limitations

11 A. A prosecution for any homicide, any offense THAT IS listed in title  
12 ~~13~~, chapter 14 or chapter 35.1 OF THIS TITLE AND that is a class 2 felony,  
13 any violent sexual assault pursuant to section 13-1423, ANY VIOLATION OF  
14 SECTION 13-2308.01, any misuse of public monies or a felony involving  
15 falsification of public records or any attempt to commit an offense listed  
16 in this subsection may be commenced at any time.

17 B. Except as otherwise provided in this section, prosecutions for  
18 other offenses must be commenced within the following periods after actual  
19 discovery by the state or the political subdivision having jurisdiction of  
20 the offense or discovery by the state or the political subdivision that  
21 should have occurred with the exercise of reasonable diligence, whichever  
22 first occurs:

23 1. For a class 2 through a class 6 felony, seven years.

24 2. For a misdemeanor, one year.

25 3. For a petty offense, six months.

26 C. For the purposes of subsection B of this section, a prosecution is  
27 commenced when an indictment, information or complaint is filed.

28 D. The period of limitation does not run during any time when the  
29 accused is absent from the state or has no reasonably ascertainable place of  
30 abode within the state.

31 E. The period of limitation does not run for a serious offense as  
32 defined in section 13-604 during any time when the identity of the person who  
33 commits the offense or offenses is unknown.

34 F. The time limitation within which a prosecution of a class 6 felony  
35 shall commence shall be determined pursuant to subsection B, paragraph 1 of  
36 this section, irrespective of whether a court enters a judgment of conviction  
37 for or a prosecuting attorney designates such THE offense as a misdemeanor.

38 G. If a complaint, indictment or information filed before the period  
39 of limitation has expired is dismissed for any reason, a new prosecution may  
40 be commenced within six months after the dismissal becomes final even if the  
41 period of limitation has expired at the time of the dismissal or will expire  
42 within six months of the dismissal.

1       Sec. 7. Section 13-902, Arizona Revised Statutes, is amended to read:  
2       13-902. Periods of probation

3       A. Unless terminated sooner, probation may continue for the following  
4 periods:

- 5       1. For a class 2 felony, seven years.
- 6       2. For a class 3 felony, five years.
- 7       3. For a class 4 felony, four years.
- 8       4. For a class 5 or 6 felony, three years.
- 9       5. For a class 1 misdemeanor, three years.
- 10      6. For a class 2 misdemeanor, two years.
- 11      7. For a class 3 misdemeanor, one year.

12      B. Notwithstanding subsection A of this section, unless terminated  
13 sooner, probation may continue for the following periods:

- 14      1. For a violation of section 28-1381 or 28-1382, five years.
- 15      2. For a violation of section 28-1383, ten years.

16      C. When the court has required, as a condition of probation, that the  
17 defendant make restitution for any economic loss related to the defendant's  
18 offense and that condition has not been satisfied, the court at any time  
19 prior to the termination or expiration of probation may extend the period  
20 within the following limits:

- 21      1. For a felony, not more than three years.
- 22      2. For a misdemeanor, not more than one year.

23      D. Notwithstanding any other provision of law, justice courts and  
24 municipal courts may impose the probation periods specified in subsection A,  
25 paragraphs 5, 6 and 7 and subsection B, paragraph 1 of this section.

26      E. After conviction of a felony offense or an attempt to commit any  
27 offense that is included in chapter 14 or 35.1 of this title or section  
28 13-2308.01, 13-2923 or 13-3623, if probation is available, probation may  
29 continue for a term not less than the term that is specified in subsection  
30 A of this section up to and including life and that the court believes is  
31 appropriate for the ends of justice.

32      Sec. 8. Section 13-1105, Arizona Revised Statutes, is amended to read:  
33      13-1105. First degree murder; classification

34      A. A person commits first degree murder if:

- 35      1. Intending or knowing that the person's conduct will cause death,  
36 the person causes the death of another with premeditation.
- 37      2. Acting either alone or with one or more other persons the person  
38 commits or attempts to commit sexual conduct with a minor under section  
39 13-1405, sexual assault under section 13-1406, molestation of a child under  
40 section 13-1410, TERRORISM UNDER SECTION 13-2308.01, marijuana offenses under  
41 section 13-3405, subsection A, paragraph 4, dangerous drug offenses under  
42 section 13-3407, subsection A, paragraphs 4 and 7, narcotics offenses under  
43 section 13-3408, subsection A, paragraph 7 that equal or exceed the statutory  
44 threshold amount for each offense or combination of offenses, involving or  
45 using minors in drug offenses under section 13-3409, kidnapping under section

1 13-1304, burglary under section 13-1506, 13-1507 or 13-1508, arson under  
2 section 13-1703 or 13-1704, robbery under section 13-1902, 13-1903 or  
3 13-1904, escape under section 13-2503 or 13-2504, child abuse under section  
4 13-3623, subsection A, paragraph 1, or unlawful flight from a pursuing law  
5 enforcement vehicle under section 28-622.01 and in the course of and in  
6 furtherance of the offense or immediate flight from the offense, the person  
7 or another person causes the death of any person.

8 3. Intending or knowing that the person's conduct will cause death to  
9 a law enforcement officer, the person causes the death of a law enforcement  
10 officer who is in the line of duty.

11 B. Homicide, as prescribed in subsection A, paragraph 2 of this  
12 section, requires no specific mental state other than what is required for  
13 the commission of any of the enumerated felonies.

14 C. First degree murder is a class 1 felony and is punishable by death  
15 or life imprisonment as provided by section 13-703.

16 Sec. 9. Section 13-2301, Arizona Revised Statutes, is amended to read:  
17 13-2301. Definitions

18 A. For the purposes of sections 13-2302, 13-2303 and 13-2304:

19 1. "Collect an extension of credit" means to induce in any way any  
20 person to make repayment of that extension.

21 2. "Creditor" means any person making an extension of credit or any  
22 person claiming by, under or through any person making an extension of  
23 credit.

24 3. "Debtor" means any person to whom an extension of credit is made  
25 or any person who guarantees the repayment of an extension of credit, or in  
26 any manner undertakes to indemnify the creditor against loss resulting from  
27 the failure of any person to whom an extension is made to repay the  
28 extension.

29 4. "Extend credit" means to make or renew any loan or to enter into  
30 any agreement, tacit or express, whereby the repayment or satisfaction of any  
31 debt or claim, whether acknowledged or disputed, valid or invalid, and  
32 however arising, may or shall be deferred.

33 5. "Extortionate extension of credit" means any extension of credit  
34 with respect to which it is the understanding of the creditor and the debtor  
35 at the time the extension is made that delay in making repayment or failure  
36 to make repayment could result in the use of violence or other criminal means  
37 to cause harm to the person or the reputation or property of any person.

38 6. "Extortionate means" means the use, or an express or implicit  
39 threat of use, of violence or other criminal means to cause harm to the  
40 person or the reputation or property of any person.

41 7. "Repayment of any extension of credit" means the repayment,  
42 satisfaction or discharge in whole or in part of any debt or claim,  
43 acknowledged or disputed, valid or invalid, resulting from or in connection  
44 with that extension of credit.

45 B. For the purposes of section 13-2305, 13-2306 or 13-2307:

1        1. "Dealer in property" means a person who buys and sells property as  
2 a business.

3        2. "Stolen property" means property of another as defined in section  
4 13-1801 that has been the subject of any unlawful taking.

5        3. "Traffic" means to sell, transfer, distribute, dispense or  
6 otherwise dispose of stolen property to another person, or to buy, receive,  
7 possess or obtain control of stolen property, with the intent to sell,  
8 transfer, distribute, dispense or otherwise dispose of the property to  
9 another person.

10       C. For the purposes of this chapter:

11       1. "BIOLOGICAL AGENT" MEANS ANY MICROORGANISM, VIRUS, INFECTIOUS  
12 SUBSTANCE OR BIOLOGICAL PRODUCT THAT MAY BE ENGINEERED THROUGH BIOTECHNOLOGY  
13 OR ANY NATURALLY OCCURRING OR BIOENGINEERED COMPONENT OF ANY MICROORGANISM,  
14 VIRUS, INFECTIOUS SUBSTANCE OR BIOLOGICAL PRODUCT AND THAT IS CAPABLE OF  
15 CAUSING ANY OF THE FOLLOWING:

16       (a) DEATH, DISEASE OR PHYSICAL INJURY IN A HUMAN, ANIMAL, PLANT OR  
17 OTHER LIVING ORGANISM.

18       (b) THE DETERIORATION OR CONTAMINATION OF AIR, FOOD, WATER, EQUIPMENT,  
19 SUPPLIES OR MATERIAL OF ANY KIND.

20       2. "Combination" means persons who collaborate in carrying on or  
21 furthering the activities or purposes of a criminal syndicate even though  
22 such persons may not know each other's identity, membership in the  
23 combination changes from time to time or one or more members may stand in a  
24 wholesaler-retailer or other arm's length relationship with others as to  
25 activities or dealings between or among themselves in an illicit operation.

26       3. "COMMUNICATION SERVICE PROVIDER" HAS THE SAME MEANING PRESCRIBED  
27 IN SECTION 13-3001.

28       4. "Criminal syndicate" means any combination of persons or  
29 enterprises engaging, or having the purpose of engaging, on a continuing  
30 basis in conduct that violates any one or more provisions of any felony  
31 statute of this state.

32       5. "EXPLOSIVE AGENT" MEANS AN EXPLOSIVE AS DEFINED IN SECTION 13-3101  
33 AND FLAMMABLE FUELS OR FIRE ACCELERANTS IN AMOUNTS OVER FIFTY GALLONS BUT  
34 EXCLUDES:

35       (a) FIREWORKS AS DEFINED IN SECTION 36-1601.

36       (b) FIREARMS.

37       (c) A PROPELLANT ACTUATED DEVICE OR PROPELLANT ACTUATED INDUSTRIAL  
38 TOOL.

39       (d) A DEVICE THAT IS COMMERCIALY MANUFACTURED PRIMARILY FOR THE  
40 PURPOSE OF ILLUMINATION.

41       (e) A ROCKET HAVING A PROPELLANT CHARGE OF LESS THAN FOUR OUNCES.

42       6. "MATERIAL SUPPORT OR RESOURCES" INCLUDES MONEY OR OTHER FINANCIAL  
43 SECURITIES, FINANCIAL SERVICES, LODGING, SUSTENANCE, TRAINING, SAFEHOUSES,  
44 FALSE DOCUMENTATION OR IDENTIFICATION, COMMUNICATIONS EQUIPMENT, FACILITIES,  
45 WEAPONS, LETHAL SUBSTANCES, EXPLOSIVES, PERSONNEL, TRANSPORTATION, DISGUISES

1 AND OTHER PHYSICAL ASSETS BUT DOES NOT INCLUDE MEDICAL ASSISTANCE, LEGAL  
2 ASSISTANCE OR RELIGIOUS MATERIALS.

3 7. "PUBLIC ESTABLISHMENT" MEANS A STRUCTURE THAT IS OWNED, LEASED OR  
4 OPERATED BY THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE OR A HEALTH  
5 CARE INSTITUTION AS DEFINED IN SECTION 36-401.

6 8. "TERRORISM" MEANS ANY FELONY, INCLUDING ANY COMPLETED OR  
7 PREPARATORY OFFENSE, THAT INVOLVES THE USE OF A DEADLY WEAPON OR A WEAPON OF  
8 MASS DESTRUCTION OR THE INTENTIONAL OR KNOWING INFLICTION OF SERIOUS PHYSICAL  
9 INJURY WITH THE INTENT TO EITHER:

10 (a) INFLUENCE THE POLICY OR AFFECT THE CONDUCT OF THIS STATE OR ANY  
11 OF THE POLITICAL SUBDIVISIONS, AGENCIES OR INSTRUMENTALITIES OF THIS STATE.

12 (b) CAUSE SUBSTANTIAL DAMAGE TO OR SUBSTANTIAL INTERRUPTION OF PUBLIC  
13 COMMUNICATIONS, COMMUNICATION SERVICE PROVIDERS, PUBLIC TRANSPORTATION,  
14 COMMON CARRIERS, PUBLIC UTILITIES, PUBLIC ESTABLISHMENTS OR OTHER PUBLIC  
15 SERVICES.

16 9. "TOXIN" MEANS THE TOXIC MATERIAL OF PLANTS, ANIMALS,  
17 MICROORGANISMS, VIRUSES, FUNGI OR INFECTIOUS SUBSTANCES OR A RECOMBINANT  
18 MOLECULE, WHATEVER ITS ORIGIN OR METHOD OF REPRODUCTION, INCLUDING:

19 (a) ANY POISONOUS SUBSTANCE OR BIOLOGICAL PRODUCT THAT MAY BE  
20 ENGINEERED THROUGH BIOTECHNOLOGY AND THAT IS PRODUCED BY A LIVING ORGANISM.

21 (b) ANY POISONOUS ISOMER OR BIOLOGICAL PRODUCT, HOMOLOG OR DERIVATIVE  
22 OF SUCH SUBSTANCE.

23 10. "VECTOR" MEANS A LIVING ORGANISM OR MOLECULE, INCLUDING A  
24 RECOMBINANT MOLECULE OR BIOLOGICAL PRODUCT THAT MAY BE ENGINEERED THROUGH  
25 BIOTECHNOLOGY, THAT IS CAPABLE OF CARRYING A BIOLOGICAL AGENT OR TOXIN TO A  
26 HOST.

27 11. "WEAPON OF MASS DESTRUCTION" MEANS:

28 (a) ANY DEVICE OR OBJECT THAT IS DESIGNED OR THAT THE PERSON INTENDS  
29 TO USE TO CAUSE MULTIPLE DEATHS OR SERIOUS PHYSICAL INJURIES THROUGH THE USE  
30 OF AN EXPLOSIVE AGENT OR THE RELEASE, DISSEMINATION OR IMPACT OF A TOXIN,  
31 BIOLOGICAL AGENT, POISONOUS CHEMICAL, OR ITS PRECURSOR, OR ANY VECTOR.

32 (b) EXCEPT AS AUTHORIZED AND USED IN ACCORDANCE WITH A LICENSE,  
33 REGISTRATION OR EXEMPTION BY THE RADIATION REGULATORY AGENCY PURSUANT TO  
34 SECTION 30-672, ANY DEVICE OR OBJECT THAT IS DESIGNED OR THAT THE PERSON  
35 INTENDS TO USE TO RELEASE RADIATION OR RADIOACTIVITY AT A LEVEL THAT IS  
36 DANGEROUS TO HUMAN LIFE.

37 D. For the purposes of sections 13-2312, through 13-2313, 13-2314 AND  
38 13-2315, unless the context otherwise requires:

39 1. "Control", in relation to an enterprise, means the possession of  
40 sufficient means to permit substantial direction over the affairs of an  
41 enterprise and, in relation to property, means to acquire or possess.

42 2. "Enterprise" means any corporation, partnership, association, labor  
43 union or other legal entity or any group of persons associated in fact  
44 although not a legal entity.

1        3. "Financial institution" means any business under the jurisdiction  
2 of the state banking department or a banking or securities regulatory agency  
3 of the United States, A BUSINESS COMING WITHIN THE DEFINITION OF A BANK,  
4 FINANCIAL AGENCY OR FINANCIAL INSTITUTION AS PRESCRIBED BY 31 UNITED STATES  
5 CODE SECTION 5312 OR 31 CODE OF FEDERAL REGULATIONS SECTION 103.11 or a  
6 business under the jurisdiction of the securities division of the corporation  
7 commission, the state real estate department or the department of insurance.

8        4. "Racketeering" means any act, including any preparatory or completed  
9 offense, ~~that is committed for financial gain~~, that is chargeable or  
10 indictable under the laws of the state OR COUNTRY in which the act occurred  
11 and, if the act occurred in a state OR COUNTRY other than this state, that  
12 would be chargeable or indictable under the laws of this state if the act had  
13 occurred in this state, and that would be punishable by imprisonment for more  
14 than one year UNDER THE LAWS OF THIS STATE AND, IF THE ACT OCCURRED IN A  
15 STATE OR COUNTRY OTHER THAN THIS STATE, UNDER THE LAWS OF THE STATE OR  
16 COUNTRY IN WHICH THE ACT OCCURRED, regardless of whether such THE act is  
17 charged or indicted, ~~involving~~ AND THE ACT INVOLVES EITHER:

18        (a) TERRORISM THAT RESULTS OR IS INTENDED TO RESULT IN A RISK OF  
19 SERIOUS PHYSICAL INJURY OR DEATH.

20        (b) ANY OF THE FOLLOWING ACTS IF COMMITTED FOR FINANCIAL GAIN:

- 21        ~~(a)~~ (i) Homicide.
- 22        ~~(b)~~ (ii) Robbery.
- 23        ~~(c)~~ (iii) Kidnapping.
- 24        ~~(d)~~ (iv) Forgery.
- 25        ~~(e)~~ (v) Theft.
- 26        ~~(f)~~ (vi) Bribery.
- 27        ~~(g)~~ (vii) Gambling.
- 28        ~~(h)~~ (viii) Usury.
- 29        ~~(i)~~ (ix) Extortion.
- 30        ~~(j)~~ (x) Extortionate extensions of credit.
- 31        ~~(k)~~ (xi) Prohibited drugs, marijuana or other prohibited chemicals  
32 or substances.
- 33        ~~(l)~~ (xii) Trafficking in explosives, weapons or stolen property.
- 34        ~~(m)~~ (xiii) Participating in a criminal syndicate.
- 35        ~~(n)~~ (xiv) Obstructing or hindering criminal investigations or  
36 prosecutions.
- 37        ~~(o)~~ (xv) Asserting false claims including, but not limited to, false  
38 claims asserted through fraud or arson.
- 39        ~~(p)~~ (xvi) Intentional or reckless false statements or publications  
40 concerning land for sale or lease or sale of subdivided lands or sale and  
41 mortgaging of unsubdivided lands.
- 42        ~~(q)~~ (xvii) Resale of realty with intent to defraud.
- 43        ~~(r)~~ (xviii) Intentional or reckless fraud in the purchase or sale of  
44 securities.

1       ~~(s)~~ (xix) Intentional or reckless sale of unregistered securities or  
2 real property securities.

3       ~~(t)~~ (xx) A scheme or artifice to defraud.

4       ~~(u)~~ (xxi) Obscenity.

5       ~~(v)~~ (xxii) Sexual exploitation of children A MINOR.

6       ~~(w)~~ (xxiii) Prostitution.

7       ~~(x)~~ (xxiv) Restraint of trade or commerce in violation of section  
8 34-252.

9       ~~(y)~~ (xxv) Terrorism.

10       ~~(z)~~ (xxvi) Money laundering.

11       ~~(aa)~~ (xxvii) Obscene or indecent telephone communications to minors  
12 for commercial purposes.

13       ~~(bb)~~ (xxviii) Counterfeiting marks as proscribed in section 44-1453.

14       5. "Records" means any book, paper, writing, computer program, data,  
15 image or information that is collected, recorded, preserved or maintained in  
16 any form of storage medium.

17       6. "Remedy racketeering" means to enter a civil judgment pursuant to  
18 this chapter or chapter 39 of this title against property or a person who is  
19 subject to liability, including liability for injury to the state that is  
20 caused by racketeering or by actions in concert with racketeering.

21       E. For the purposes of sections 13-2316, 13-2316.01 and 13-2316.02:

22       1. "Access" means to instruct, communicate with, store data in,  
23 retrieve data from or otherwise make use of any resources of a computer,  
24 computer system or network.

25       2. "Access device" means any card, token, code, account number,  
26 electronic serial number, mobile or personal identification number, password,  
27 encryption key, biometric identifier or other means of account access,  
28 including a canceled or revoked access device, that can be used alone or in  
29 conjunction with another access device to obtain money, goods, services,  
30 computer or network access or any other thing of value or that can be used  
31 to initiate a transfer of any thing of value.

32       3. "Computer" means an electronic device that performs logic,  
33 arithmetic or memory functions by the manipulations of electronic or magnetic  
34 impulses and includes all input, output, processing, storage, software or  
35 communication facilities that are connected or related to such a device in  
36 a system or network.

37       4. "Computer contaminant" means any set of computer instructions that  
38 is designed to modify, damage, destroy, record or transmit information within  
39 a computer, computer system or network without the intent or permission of  
40 the owner of the information, computer system or network. Computer  
41 contaminant includes a group of computer instructions, such as viruses or  
42 worms, that is self-replicating or self-propagating and that is designed to  
43 contaminate other computer programs or computer data, to consume computer  
44 resources, to modify, destroy, record or transmit data or in some other

1 fashion to usurp the normal operation of the computer, computer system or  
2 network.

3 5. "Computer program" means a series of instructions or statements,  
4 in a form acceptable to a computer, that permits the functioning of a  
5 computer system in a manner designed to provide appropriate products from the  
6 computer system.

7 6. "Computer software" means a set of computer programs, procedures  
8 and associated documentation concerned with the operation of a computer  
9 system.

10 7. "Computer system" means a set of related, connected or unconnected  
11 computer equipment, devices and software, including storage, media and  
12 peripheral devices.

13 8. "Critical infrastructure resource" means any computer or  
14 communications system or network that is involved in providing services  
15 necessary to ensure or protect the public health, safety or welfare,  
16 including services that are provided by any of the following:

17 (a) Medical personnel and institutions.

18 (b) Emergency services agencies.

19 (c) Public and private utilities, including water, power,  
20 communications and transportation services.

21 (d) Fire departments, districts or volunteer organizations.

22 (e) Law enforcement agencies.

23 (f) Financial institutions.

24 (g) Public educational institutions.

25 (h) Government agencies.

26 9. "False or fraudulent pretense" means the unauthorized use of an  
27 access device or the use of an access device to exceed authorized access.

28 10. "Financial instrument" means any check, draft, money order,  
29 certificate of deposit, letter of credit, bill of exchange, credit card or  
30 marketable security or any other written instrument as defined in section  
31 13-2001 that is transferable for value.

32 11. "Network" includes a complex of interconnected computer or  
33 communication systems of any type.

34 12. "Property" means financial instruments, information, including  
35 electronically produced data, computer software and programs in either  
36 machine or human readable form, and anything of value, tangible or  
37 intangible.

38 13. "Proprietary or confidential computer security information" means  
39 information about a particular computer, computer system or network that  
40 relates to its access devices, security practices, methods and systems,  
41 architecture, communications facilities, encryption methods and system  
42 vulnerabilities and that is not made available to the public by its owner or  
43 operator.

44 14. "Services" includes computer time, data processing, storage  
45 functions and all types of communication functions.



1       Sec. 10. Section 13-2308.01, Arizona Revised Statutes, is amended to  
2 read:

3       13-2308.01. Terrorism; classification

4       A. It is unlawful for a person to INTENTIONALLY OR KNOWINGLY do any  
5 of the following:

6       1. ~~Intentionally~~ Engage in an act of terrorism. ; ~~or~~

7       2. ~~Intentionally~~ Organize, manage, direct, supervise or finance acts  
8 AN ACT of terrorism. ; ~~or~~

9       3. ~~Intentionally~~ SOLICIT, incite or induce others to promote or  
10 further acts AN ACT of terrorism. ; ~~or~~

11       4. WITHOUT LAWFUL AUTHORITY OR WHEN EXCEEDING LAWFUL AUTHORITY,  
12 MANUFACTURE, SELL, DELIVER, DISPLAY, USE, MAKE ACCESSIBLE TO OTHERS, POSSESS  
13 OR EXERCISE CONTROL OVER A WEAPON OF MASS DESTRUCTION KNOWING OR HAVING  
14 REASON TO KNOW THAT THE DEVICE OR OBJECT INVOLVED IS A WEAPON OF MASS  
15 DESTRUCTION.

16       5. MAKE PROPERTY AVAILABLE TO ANOTHER, BY TRANSACTION, TRANSPORTATION  
17 OR OTHERWISE, KNOWING OR HAVING REASON TO KNOW THAT THE PROPERTY IS INTENDED  
18 TO FACILITATE AN ACT OF TERRORISM.

19       6. ~~Intentionally~~ furnish PROVIDE advice, assistance or direction in  
20 the conduct, financing or management of acts AN ACT of terrorism KNOWING OR  
21 HAVING REASON TO KNOW THAT AN ACT OF TERRORISM HAS OCCURRED OR MAY RESULT BY:

22       (a) HARBORING OR CONCEALING ANY PERSON OR PROPERTY.

23       (b) WARNING ANY PERSON OF IMPENDING DISCOVERY, APPREHENSION,  
24 PROSECUTION OR CONVICTION. THIS SUBDIVISION DOES NOT APPLY TO A WARNING THAT  
25 IS GIVEN IN CONNECTION WITH AN EFFORT TO BRING ANOTHER PERSON INTO COMPLIANCE  
26 WITH THE LAW.

27       (c) PROVIDING ANY PERSON WITH MATERIAL SUPPORT OR RESOURCES OR ANY  
28 OTHER MEANS OF AVOIDING DISCOVERY, APPREHENSION, PROSECUTION OR CONVICTION.

29       (d) CONCEALING OR DISGUIISING THE NATURE, LOCATION, SOURCE, OWNERSHIP  
30 OR CONTROL OF MATERIAL SUPPORT OR RESOURCES.

31       (e) PREVENTING OR OBSTRUCTING BY MEANS OF FORCE, DECEPTION OR  
32 INTIMIDATION ANYONE FROM PERFORMING AN ACT THAT MIGHT AID IN THE DISCOVERY,  
33 APPREHENSION, PROSECUTION OR CONVICTION OF ANY PERSON OR THAT MIGHT AID IN  
34 THE PREVENTION OF AN ACT OF TERRORISM.

35       (f) SUPPRESSING BY ANY ACT OF CONCEALMENT, ALTERATION OR DESTRUCTION  
36 ANY PHYSICAL EVIDENCE THAT MIGHT AID IN THE DISCOVERY, APPREHENSION,  
37 PROSECUTION OR CONVICTION OF ANY PERSON OR THAT MIGHT AID IN THE PREVENTION  
38 OF AN ACT OF TERRORISM.

39       (g) CONCEALING THE IDENTITY OF ANY PERSON.

40       B. THIS SECTION DOES NOT APPLY TO ANY PERSON WHO IS A MEMBER OR  
41 EMPLOYEE OF THE ARMED FORCES OF THE UNITED STATES, A FEDERAL OR STATE  
42 GOVERNMENTAL AGENCY OR ANY POLITICAL SUBDIVISION OF A STATE, A CHARITABLE,  
43 SCIENTIFIC OR EDUCATIONAL INSTITUTION OR A PRIVATE ENTITY IF BOTH OF THE  
44 FOLLOWING APPLY:

1           1. THE PERSON IS ENGAGED IN LAWFUL ACTIVITY WITHIN THE SCOPE OF THE  
2 PERSON'S EMPLOYMENT AND THE PERSON IS OTHERWISE DULY AUTHORIZED OR LICENSED  
3 TO MANUFACTURE, POSSESS, SELL, DELIVER, DISPLAY, USE, EXERCISE CONTROL OVER  
4 OR MAKE ACCESSIBLE TO OTHERS ANY WEAPON OF MASS DESTRUCTION OR TO OTHERWISE  
5 ENGAGE IN ANY ACTIVITY DESCRIBED IN THIS PARAGRAPH.

6           2. THE PERSON IS IN COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE  
7 LAWS IN DOING SO.

8           ~~B.~~ C. ~~Terrorism~~ A VIOLATION OF SUBSECTION A OF THIS SECTION is a  
9 class 2 felony, except that if the court finds that at least one of the  
10 aggravating circumstances listed in section 13-702, subsection C applies, the  
11 court may impose a life sentence. If the court imposes a life sentence, the  
12 court may order that the defendant not be released on any basis for the  
13 remainder of the defendant's natural life. If the court does not sentence  
14 the defendant to natural life, the defendant shall not be released on any  
15 basis until the completion of the service of twenty-five calendar years.

16           ~~C. For the purpose of this section, "terrorism" means any unlawful~~  
17 ~~act, including any completed or preparatory offense, involving the use of a~~  
18 ~~deadly weapon or dangerous instrument, or the intentional or knowing~~  
19 ~~infliction of physical injury or criminal damage to property committed for~~  
20 ~~political or financial gain with the intent to:~~

21           ~~1. Intimidate or coerce the state, any of its political subdivisions,~~  
22 ~~agencies, instrumentalities, officers or agents; or~~

23           ~~2. Cause the impairment or interruption of public communications,~~  
24 ~~public transportation, common carriers, public utilities or other public~~  
25 ~~services.~~

26           Sec. 11. Section 13-2314.04, Arizona Revised Statutes, is amended to  
27 read:

28           13-2314.04. Racketeering; unlawful activity; civil remedies by  
29 private cause of action; definitions

30           A. A person who sustains reasonably foreseeable injury to his person,  
31 business or property by a pattern of racketeering activity, or by a violation  
32 of section 13-2312 involving a pattern of racketeering activity, may file an  
33 action in superior court for the recovery of up to treble damages and the  
34 costs of the suit, including reasonable attorney fees for trial and appellate  
35 representation. If the person against whom a racketeering claim has been  
36 asserted, including a lien, prevails on that claim, the person may be awarded  
37 costs and reasonable attorney fees incurred in defense of that claim. No  
38 person may rely on any conduct that would have been actionable as fraud in  
39 the purchase or sale of securities to establish an action under this section  
40 except an action against a person who is convicted of a crime in connection  
41 with the fraud, in which case the period to initiate a civil action starts  
42 to run on the date on which the conviction becomes final.

43           B. The superior court has jurisdiction to prevent, restrain and remedy  
44 a pattern of racketeering activity ~~as defined by this section~~ or a violation  
45 of section 13-2312 involving a pattern of racketeering activity, after making

1 provision for the rights of all innocent persons affected by the violation  
2 and after a hearing or trial, as appropriate, by issuing appropriate orders.

3 C. Before a determination of liability these orders may include, but  
4 are not limited to, entering restraining orders or prohibitions or taking  
5 such other actions, including the acceptance of satisfactory performance  
6 bonds, the creation of receiverships and the enforcement of constructive  
7 trusts, in connection with any property or other interest subject to damage  
8 or other remedies or restraints pursuant to this section as the court deems  
9 proper.

10 D. After a determination of liability these orders may include, but  
11 are not limited to:

12 1. Ordering any person to divest himself of any interest, direct or  
13 indirect, in any enterprise.

14 2. Imposing reasonable restrictions on the future activities or  
15 investments of any person, including prohibiting any person from engaging in  
16 the same type of endeavor as the enterprise engaged in, the activities of  
17 which affect the laws of this state, to the extent the constitutions of the  
18 United States and this state permit.

19 3. Ordering dissolution or reorganization of any enterprise.

20 4. Ordering the payment of up to treble damages to those persons  
21 injured by a pattern of racketeering activity or a violation of section  
22 13-2312 involving a pattern of racketeering activity.

23 5. Prejudgment interest on damages, except that prejudgment interest  
24 may not be awarded on any increase in the damages authorized under paragraph  
25 4 of this subsection.

26 6. A person or enterprise that acquires any property through an  
27 offense included in the definition of racketeering in section 13-2301,  
28 subsection D, ~~paragraph 4~~ or a violation of section 13-2312 is an involuntary  
29 trustee. The involuntary trustee and any other person or enterprise, except  
30 a bona fide purchaser for value who is reasonably without notice of the  
31 unlawful conduct and who is not knowingly taking part in an illegal  
32 transaction, hold the property, its proceeds and its fruits in constructive  
33 trust for the benefit of persons entitled to remedies under this section.

34 E. A defendant convicted in any criminal proceeding is precluded from  
35 subsequently denying the essential allegations of the criminal offense of  
36 which he THE DEFENDANT was convicted in any civil proceedings. For the  
37 purpose of this subsection, a conviction may result from a verdict or plea  
38 including a no contest plea.

39 F. Notwithstanding any law prescribing a lesser period but subject to  
40 subsection A of this section, the initiation of civil proceedings pursuant  
41 to this section shall be commenced within three years from the date the  
42 violation was discovered, or should have been discovered with reasonable  
43 diligence, and ten years after the events giving rise to the cause of action,  
44 whichever comes first.

1           G. The standard of proof in actions brought pursuant to this section  
2 is the preponderance of evidence test.

3           H. A person who files an action under this section shall serve notice  
4 and one copy of the pleading on the attorney general within thirty days after  
5 the action is filed with the superior court. This requirement is  
6 jurisdictional. The notice shall identify the action, the person and the  
7 person's attorney. Service of the notice does not limit or otherwise affect  
8 the right of the state to maintain an action under section 13-2314 or to  
9 intervene in a pending action nor does it authorize the person to name this  
10 state or the attorney general as a party to the action.

11           I. On timely application, the attorney general may intervene in any  
12 civil action or proceeding brought under this section if the attorney general  
13 certifies that in his THE ATTORNEY GENERAL'S opinion the action is of special  
14 public importance. On intervention, the attorney general may assert any  
15 available claim and is entitled to the same relief as if the attorney general  
16 has instituted a separate action.

17           J. In addition to the state's right to intervene as a party in any  
18 action under this section, the attorney general may appear as amicus curiae  
19 in any proceeding in which a claim under this section has been asserted or  
20 in which a court is interpreting section 13-2301, 13-2312, 13-2313,  
21 13-2314.01, 13-2314.02 or 13-2315 or this section.

22           K. A civil action authorized by this section is remedial and not  
23 punitive and does not limit and is not limited by any other previous or  
24 subsequent civil or criminal action under this title or any other provision  
25 of law. Civil remedies provided under this title are supplemental and not  
26 mutually exclusive, except that a person may not recover, for an action  
27 brought pursuant to this section, punitive damages or emotional injury  
28 damages in the absence of bodily injury.

29           L. A natural person shall not be held liable in damages or for other  
30 relief pursuant to this section based on the conduct of another unless the  
31 fact finder finds by a preponderance of the evidence that the natural person  
32 authorized, requested, commanded, ratified or recklessly tolerated the  
33 unlawful conduct of the other. An enterprise shall not be held liable in  
34 damages or for other relief pursuant to this section based on the conduct of  
35 an agent, unless the fact finder finds by a preponderance of the evidence  
36 that a director or high managerial agent performed, authorized, requested,  
37 commanded, ratified or recklessly tolerated the unlawful conduct of the  
38 agent. A bank or savings and loan association insured by the federal deposit  
39 insurance corporation or a credit union insured by the national credit union  
40 administration shall not be held liable in damages or for other relief  
41 pursuant to this section for conduct proscribed by section 13-2317,  
42 subsection A, paragraph 1, based on acquiring or maintaining an interest in,  
43 OR transporting, transacting, transferring or receiving funds belonging to  
44 a person other than the person presenting the funds, unless the fact finder  
45 finds by a preponderance of the evidence that the person or agent acquiring

1 or maintaining an interest in, OR transporting, transacting, transferring  
 2 or receiving the funds on behalf of the defendant did so knowing that the  
 3 funds were the proceeds of an offense and that a director or high managerial  
 4 agent performed, authorized, requested, commanded, ratified or recklessly  
 5 tolerated the unlawful conduct of the person or agent. A person or  
 6 enterprise shall not be held liable in damages or for other relief pursuant  
 7 to this section unless the fact finder makes particularized findings  
 8 sufficient to permit full and complete review of the record, if any, of the  
 9 conduct of the person. A natural person or enterprise shall not be held  
 10 liable in damages for recklessly tolerating the unlawful conduct of another  
 11 person or agent if the other person or agent engaged in unlawful conduct  
 12 proscribed by section 13-2301, subsection D, paragraph 4, subdivision (p),  
 13 (r), (s) or (t) (b), ITEM (xvi), (xviii), (xix) OR (xx) and the unlawful  
 14 conduct involved the purchase or sale of securities.

15 M. Notwithstanding subsection A of this section, a court shall not  
 16 award costs, including attorney fees, if the award would be unjust because  
 17 of special circumstances, including the relevant disparate economic position  
 18 of the parties or the disproportionate amount of the costs, including  
 19 attorney fees, to the nature of the damage or other relief obtained.

20 N. If the court determines that the filing of any pleading, motion or  
 21 other paper under this section was frivolous or that any civil action or  
 22 proceeding was brought or continued under this section in bad faith,  
 23 vexatiously, wantonly or for an improper or oppressive reason, it shall award  
 24 a proper sanction to deter this conduct in the future that may include the  
 25 costs of the civil action or proceeding, including the costs of investigation  
 26 and a reasonable attorney fee FEES in the trial and appellate courts.

27 O. Notwithstanding any other law, a complaint, counterclaim, answer  
 28 or response filed by a person in connection with a civil action or proceeding  
 29 under this section shall be verified by at least one party or his THE PARTY'S  
 30 attorney. If the person is represented by an attorney, AT LEAST ONE ATTORNEY  
 31 OF RECORD SHALL SIGN any pleading, motion or other paper ~~shall be signed by~~  
 32 ~~at least one attorney of record in his~~ THE ATTORNEY'S individual name, and  
 33 his SHALL STATE THE ATTORNEY'S address shall be stated.

34 P. The verification by a person or his THE PERSON'S attorney and the  
 35 signature by an attorney required by subsection O of this section constitutes  
 36 CONSTITUTE a certification by the person or THE PERSON'S attorney that he THE  
 37 PERSON OR THE PERSON'S ATTORNEY has carefully read the pleading, motion or  
 38 other paper and, based on a reasonable inquiry, believes all of the  
 39 following:

- 40 1. It is well grounded in fact.
- 41 2. It is warranted by existing law or there is a good faith argument
- 42 for the extension, modification or reversal of existing law.
- 43 3. It is not made for any bad faith, vexatious, wanton, improper or
- 44 oppressive reason, including to harass, to cause unnecessary delay, to impose

1 a needless increase in the cost of litigation or to force an unjust  
2 settlement through the serious character of the averment.

3 Q. If any pleading, motion or other paper is signed in violation of  
4 the certification provisions of this subsection P OF THIS SECTION, the court,  
5 on its own motion or on the motion of the other party and after a hearing and  
6 appropriate findings of fact, shall impose on the person who verified it or  
7 the attorney who signed it, or both, a proper sanction to deter this conduct  
8 in the future, including the costs of the proceeding under subsection N of  
9 this section.

10 ~~Q.~~ R. If any pleading, motion or other paper includes an averment of  
11 fraud or coercion, it shall state these circumstances with particularity with  
12 respect to each defendant.

13 ~~R.~~ S. In any civil action or proceeding under this section in which  
14 the pleading, motion or other paper does not allege a crime of violence as  
15 a racketeering act:

16 1. The term "racketeer" shall not be used in referring to any person.

17 2. The terms used to refer to acts of racketeering or a pattern of  
18 racketeering activity shall be "unlawful acts" or "a pattern of unlawful  
19 activity".

20 ~~S.~~ T. In this section, unless the context otherwise requires:

21 1. "Acquire" means for a person to do any of the following:

22 (a) Possess.

23 (b) Act so as to exclude another person from using the person's  
24 property except on his THE PERSON'S own terms.

25 (c) Bring about or receive the transfer of any interest in property,  
26 whether to himself or to another person, or to secure performance of a  
27 service.

28 2. "Gain" means any benefit, interest or property of any kind without  
29 reduction for expenses of acquiring or maintaining it or incurred for any  
30 other reason.

31 3. "Pattern of racketeering activity" means either:

32 (a) At least two acts of racketeering as defined in section 13-2301,  
33 subsection D, paragraph 4, subdivision (d), (e), (f), (g), (h), (i), (j),  
34 (m), (o), (p), (q), (r), (s), (t), (x) or (z) (b), ITEM (iv), (v), (vi),  
35 (vii), (viii), (ix), (x), (xiii), (xv), (xvi), (xvii), (xviii), (xix), (xx),  
36 (xxiv) OR (xxvi) that meet the following requirements:

37 (i) The last act of racketeering activity that is alleged as the basis  
38 of the claim occurred within five years of a prior act of racketeering.

39 (ii) The acts of racketeering that are alleged as the basis of the  
40 claim were related to each other or to a common external organizing  
41 principle, including the affairs of an enterprise. Acts of racketeering are  
42 related if they have the same or similar purposes, results, participants,  
43 victims or methods of commission or are otherwise interrelated by  
44 distinguishing characteristics.

1 (iii) The acts of racketeering that are alleged as the basis of the  
2 claim were continuous or exhibited the threat of being continuous.

3 (b) A single act of racketeering as defined in section 13-2301,  
4 subsection D, paragraph 4, subdivision ~~(a)~~, (b), ~~(c)~~, ~~(k)~~, ~~(l)~~, ~~(n)~~, ~~(u)~~,  
5 ~~(v)~~, ~~(w)~~, ~~(y)~~, ~~(aa)~~ or ~~(bb)~~ ITEM (i), (ii), (iii), (xi), (xii), (xiv), (xxi),  
6 (xxii), (xxiii), (xxv), (xxvii) OR (xxviii).

7 4. "Proceeds" means any interest in property of any kind acquired  
8 through or caused by an act or omission, or derived from the act or omission,  
9 directly or indirectly, and any fruits of this interest, in whatever form.

10 Sec. 12. Section 13-2317, Arizona Revised Statutes, is amended to  
11 read:

12 13-2317. Money laundering; classifications; definitions

13 A. A PERSON IS GUILTY OF MONEY LAUNDERING IN THE FIRST DEGREE IF THE  
14 PERSON DOES ANY OF THE FOLLOWING:

15 1. KNOWINGLY INITIATES, ORGANIZES, PLANS, FINANCES, DIRECTS, MANAGES,  
16 SUPERVISES OR IS IN THE BUSINESS OF MONEY LAUNDERING IN VIOLATION OF  
17 SUBSECTION B OF THIS SECTION.

18 2. VIOLATES SUBSECTION B OF THIS SECTION IN THE COURSE OF OR FOR THE  
19 PURPOSE OF FACILITATING TERRORISM OR MURDER.

20 ~~A.~~ B. A person is guilty of money laundering in the second degree ~~who~~  
21 IF THE PERSON DOES ANY OF THE FOLLOWING:

22 1. Acquires or maintains an interest in, transacts, transfers,  
23 transports, receives or conceals the existence or nature of racketeering  
24 proceeds knowing or having reason to know that they are the proceeds of an  
25 offense.

26 2. Makes property available to another by transaction, transportation  
27 or otherwise knowing that it is intended to be used to facilitate  
28 racketeering.

29 3. Conducts a transaction knowing or having reason to know that the  
30 property involved is the proceeds of an offense and with the intent to  
31 conceal or disguise the nature, location, source, ownership or control of the  
32 property or the intent to ~~avoid a transaction reporting requirement under~~  
33 ~~title 6, chapter 12~~ FACILITATE RACKETEERING.

34 4. INTENTIONALLY OR KNOWINGLY MAKES A FALSE STATEMENT,  
35 MISREPRESENTATION OR FALSE CERTIFICATION OR MAKES A FALSE ENTRY OR OMTS A  
36 MATERIAL ENTRY IN ANY APPLICATION, FINANCIAL STATEMENT, ACCOUNT RECORD,  
37 CUSTOMER RECEIPT, REPORT OR OTHER DOCUMENT THAT IS FILED OR REQUIRED TO BE  
38 MAINTAINED OR FILED UNDER TITLE 6, CHAPTER 12.

39 5. INTENTIONALLY OR KNOWINGLY EVADES OR ATTEMPTS TO EVADE ANY  
40 REPORTING REQUIREMENT UNDER SECTION 6-1241, WHETHER BY STRUCTURING  
41 TRANSACTIONS AS DESCRIBED IN 31 CODE OF FEDERAL REGULATIONS PART 103, BY  
42 CAUSING ANY FINANCIAL INSTITUTION, MONEY TRANSMITTER, TRADE OR BUSINESS TO  
43 FAIL TO FILE THE REPORT, BY FAILING TO FILE A REQUIRED REPORT OR RECORD OR  
44 BY ANY OTHER MEANS.

1           6. INTENTIONALLY OR KNOWINGLY PROVIDES ANY FALSE INFORMATION OR FAILS  
2 TO DISCLOSE INFORMATION THAT CAUSES ANY LICENSEE, AUTHORIZED DELEGATE, MONEY  
3 TRANSMITTER, TRADE OR BUSINESS TO EITHER:

4           (a) FAIL TO FILE ANY REPORT OR RECORD THAT IS REQUIRED UNDER SECTION  
5 6-1241.

6           (b) FILE SUCH A REPORT OR RECORD THAT CONTAINS A MATERIAL OMISSION OR  
7 MISSTATEMENT OF FACT.

8           7. INTENTIONALLY OR KNOWINGLY FALSIFIES, CONCEALS, COVERS UP OR  
9 MISREPRESENTS OR ATTEMPTS TO FALSIFY, CONCEAL, COVER UP OR MISREPRESENT THE  
10 IDENTITY OF ANY PERSON IN CONNECTION WITH ANY TRANSACTION WITH A FINANCIAL  
11 INSTITUTION OR MONEY TRANSMITTER.

12           8. IN CONNECTION WITH A TRANSACTION WITH A FINANCIAL INSTITUTION OR  
13 MONEY TRANSMITTER, INTENTIONALLY OR KNOWINGLY MAKES, USES, OFFERS OR PRESENTS  
14 OR ATTEMPTS TO MAKE, USE, OFFER OR PRESENT, WHETHER ACCEPTED OR NOT, A FORGED  
15 INSTRUMENT, A FALSELY ALTERED OR COMPLETED WRITTEN INSTRUMENT OR A WRITTEN  
16 INSTRUMENT THAT CONTAINS ANY MATERIALLY FALSE PERSONAL IDENTIFYING  
17 INFORMATION.

18           9. IF THE PERSON IS A MONEY TRANSMITTER, A PERSON ENGAGED IN A TRADE  
19 OR BUSINESS OR ANY EMPLOYEE OF A MONEY TRANSMITTER OR A PERSON ENGAGED IN A  
20 TRADE OR BUSINESS, INTENTIONALLY OR KNOWINGLY ACCEPTS FALSE PERSONAL  
21 IDENTIFYING INFORMATION FROM ANY PERSON OR OTHERWISE KNOWINGLY INCORPORATES  
22 FALSE PERSONAL IDENTIFYING INFORMATION INTO ANY REPORT OR RECORD THAT IS  
23 REQUIRED BY SECTION 6-1241.

24           10. INTENTIONALLY CONDUCTS, CONTROLS, MANAGES, SUPERVISES, DIRECTS OR  
25 OWNS ALL OR PART OF A MONEY TRANSMITTING BUSINESS FOR WHICH A LICENSE IS  
26 REQUIRED BY TITLE 6, CHAPTER 12 UNLESS THE BUSINESS IS LICENSED PURSUANT TO  
27 TITLE 6, CHAPTER 12 AND COMPLIES WITH THE MONEY TRANSMITTING BUSINESS  
28 REGISTRATION REQUIREMENTS UNDER 31 UNITED STATES CODE SECTION 5330.

29           ~~B. A person who knowingly initiates, organizes, plans, finances,~~  
30 ~~directs, manages, supervises or is in the business of money laundering is~~  
31 ~~guilty of money laundering in the first degree.~~

32           C. A PERSON IS GUILTY OF MONEY LAUNDERING IN THE THIRD DEGREE IF THE  
33 PERSON INTENTIONALLY OR KNOWINGLY DOES ANY OF THE FOLLOWING:

34           1. IN THE COURSE OF ANY TRANSACTION TRANSMITTING MONEY, CONFERS OR  
35 AGREES TO CONFER ANYTHING OF VALUE ON A MONEY TRANSMITTER OR ANY EMPLOYEE OF  
36 A MONEY TRANSMITTER THAT IS INTENDED TO INFLUENCE OR REWARD ANY PERSON FOR  
37 FAILING TO COMPLY WITH ANY REQUIREMENT UNDER TITLE 6, CHAPTER 12.

38           2. ENGAGES IN THE BUSINESS OF RECEIVING MONEY FOR TRANSMISSION OR  
39 TRANSMITTING MONEY, AS AN EMPLOYEE OR OTHERWISE, AND RECEIVES ANYTHING OF  
40 VALUE UPON AN AGREEMENT OR UNDERSTANDING THAT IT IS INTENDED TO INFLUENCE OR  
41 BENEFIT THE PERSON FOR FAILING TO COMPLY WITH ANY REQUIREMENT UNDER TITLE 6,  
42 CHAPTER 12.

43           D. IN ADDITION TO ANY OTHER CRIMINAL OR CIVIL REMEDY, IF A PERSON  
44 VIOLATES SUBSECTION A OR B OF THIS SECTION AS PART OF A PATTERN OF VIOLATIONS  
45 THAT INVOLVE A TOTAL OF ONE HUNDRED THOUSAND DOLLARS OR MORE IN ANY TWELVE



1 MONTH PERIOD THE PERSON IS SUBJECT TO FORFEITURE OF SUBSTITUTE ASSETS IN AN  
2 AMOUNT THAT IS THREE TIMES THE AMOUNT THAT WAS INVOLVED IN THE PATTERN,  
3 INCLUDING CONDUCT THAT OCCURRED BEFORE AND AFTER THE TWELVE MONTH PERIOD.

4 ~~E.~~ E. MONEY LAUNDERING IN THE THIRD DEGREE IS A CLASS 6  
5 FELONY. Money laundering in the second degree is a class 3 felony. Money  
6 laundering in the first degree is a class 2 felony.

7 ~~D.~~ F. ~~IN~~ FOR THE PURPOSES OF THIS SECTION:

8 ~~1. "Acquire" and "proceeds" have the same meaning as prescribed in~~  
9 ~~section 13-2314.~~

10 1. THE FOLLOWING TERMS HAVE THE SAME MEANING PRESCRIBED IN SECTION  
11 6-1201:

- 12 (a) "AUTHORIZED DELEGATE".
- 13 (b) "LICENSEE".
- 14 (c) "MONEY ACCUMULATION BUSINESS".
- 15 (d) "MONEY TRANSMITTER".
- 16 (e) "TRADE OR BUSINESS".
- 17 (f) "TRANSMITTING MONEY".

18 2. THE FOLLOWING TERMS HAVE THE SAME MEANING PRESCRIBED IN SECTION  
19 13-2001:

- 20 (a) "FALSELY ALTERS A WRITTEN INSTRUMENT".
- 21 (b) "FALSELY COMPLETES A WRITTEN INSTRUMENT".
- 22 (c) "FALSELY MAKES A WRITTEN INSTRUMENT".
- 23 (d) "FORGED INSTRUMENT".
- 24 (e) "PERSONAL IDENTIFYING INFORMATION".
- 25 (f) "WRITTEN INSTRUMENT".

26 ~~2.~~ 3. ~~"Financial instrument" and "racketeering"~~ THE FOLLOWING TERMS  
27 have the same meaning as prescribed in section 13-2301: —

- 28 (a) "FINANCIAL INSTITUTION".
- 29 (b) "FINANCIAL INSTRUMENT".
- 30 (c) "RACKETEERING".

31 4. THE FOLLOWING TERMS HAVE THE SAME MEANING PRESCRIBED IN SECTION  
32 13-2314:

- 33 (a) "ACQUIRE".
- 34 (b) "PROCEEDS".

35 G. FOR THE PURPOSES OF THIS SECTION:

36 1. "SUPERINTENDENT" HAS THE SAME MEANING PRESCRIBED IN SECTION 6-101.

37 ~~3.~~ 2. "Transaction" means a purchase, sale, trade, loan, pledge,  
38 investment, gift, transfer, transmission, delivery, deposit, withdrawal,  
39 payment, transfer between accounts, exchange of currency, extension of  
40 credit, purchase or sale of any financial instrument or any other acquisition  
41 or disposition of property by whatever means.

1       Sec. 13. Section 13-2512, Arizona Revised Statutes, is amended to  
2 read:

3       13-2512. Hindering prosecution in the first degree;  
4               classification

5       A. A person commits hindering prosecution in the first degree if, with  
6 the intent to hinder the apprehension, prosecution, conviction or punishment  
7 of another for any felony, such THE person renders assistance to such THE  
8 OTHER person.

9       B. Hindering prosecution in the first degree is a class 5 felony,  
10 EXCEPT THAT HINDERING PROSECUTION IN THE FIRST DEGREE WHERE A PERSON KNOWS  
11 OR HAS REASON TO KNOW THAT IT INVOLVES TERRORISM OR MURDER IS A CLASS 3  
12 FELONY.

13       Sec. 14. Title 13, chapter 29, Arizona Revised Statutes, is amended  
14 by adding section 13-2925, to read:

15       13-2925. Hoax; restitution; joint and several liability;  
16               classification; definition

17       A. IT IS UNLAWFUL FOR A PERSON TO INTENTIONALLY OR KNOWINGLY ENGAGE  
18 IN ANY CONDUCT THAT BOTH:

19       1. IS LIKELY TO IMPART THE FALSE IMPRESSION THAT AN ACT OF TERRORISM  
20 AS DEFINED IN SECTION 13-2301 IS TAKING PLACE OR WILL TAKE PLACE.

21       2. WOULD REASONABLY BE EXPECTED TO CAUSE OR THAT CAUSES AN EMERGENCY  
22 RESPONSE BY A GOVERNMENTAL AGENCY.

23       B. A PERSON WHO IS CONVICTED OF A VIOLATION OF THIS SECTION MAY BE  
24 LIABLE FOR ANY EXPENSES THAT ARE INCURRED INCIDENT TO THE EMERGENCY RESPONSE  
25 AND THE INVESTIGATION OF THE COMMISSION OF THE OFFENSE. THE EXPENSE IS A  
26 DEBT OF THE PERSON. THE PUBLIC AGENCY, FOR PROFIT ENTITY OR NOT FOR PROFIT  
27 ENTITY THAT INCURRED THE EXPENSES MAY COLLECT THE DEBT PROPORTIONALLY. THE  
28 LIABILITY THAT IS IMPOSED UNDER THIS SUBSECTION IS IN ADDITION TO ANY OTHER  
29 LIABILITY THAT MAY BE IMPOSED.

30       C. IF MORE THAN ONE PERSON IS LIABLE FOR ANY EXPENSES THAT ARE  
31 INCURRED UNDER THIS SECTION, A PERSON WHO IS CONVICTED OF A VIOLATION OF THIS  
32 SECTION IS JOINTLY AND SEVERALLY LIABLE FOR THESE EXPENSES.

33       D. A VIOLATION OF THIS SECTION IS A CLASS 4 FELONY.

34       E. FOR THE PURPOSES OF THIS SECTION, "EXPENSES" MEANS ANY REASONABLE  
35 COSTS THAT ARE DIRECTLY INCURRED BY A PUBLIC AGENCY, FOR PROFIT ENTITY OR NOT  
36 FOR PROFIT ENTITY THAT MAKES AN APPROPRIATE EMERGENCY RESPONSE TO AN INCIDENT  
37 OR AN INVESTIGATION OF THE COMMISSION OF THE OFFENSE. EXPENSES INCLUDES THE  
38 COSTS OF PROVIDING POLICE, FIRE FIGHTING, RESCUE AND EMERGENCY MEDICAL  
39 SERVICES AT THE SCENE OF AN INCIDENT AND THE SALARIES OF THE PERSONS WHO  
40 RESPOND TO THE INCIDENT. EXPENSES DOES NOT INCLUDE ANY CHARGES THAT ARE  
41 ASSESSED BY AN AMBULANCE SERVICE THAT IS REGULATED PURSUANT TO TITLE 36,  
42 CHAPTER 21.1, ARTICLE 2.

1       Sec. 15. Section 13-3001, Arizona Revised Statutes, is amended to  
2 read:

3       13-3001. Definitions

4       In this chapter, unless the context otherwise requires:

5       1. "Aural transfer" means a communication containing the human voice  
6 at any point between and including the point of origin and the point of  
7 reception.

8       2. "Child monitoring device" means a device that is capable of  
9 transmitting an audio or audiovisual signal and that is installed or used in  
10 a residence for child supervision or safety monitoring by any parent,  
11 guardian or other responsible person in the person's own residence.

12       3. "Communication service provider" means any person WHO IS engaged  
13 in providing a service that allows its users to send or receive oral, wire  
14 or electronic communications or computer services.

15       4. "Electronic communication" means any transfer of signs, signals,  
16 writing, images, sounds, data or intelligence of any nature that is  
17 transmitted in whole or in part by a wire, radio, electromagnetic,  
18 photoelectronic or photooptical system but that does not include any of the  
19 following:

20       (a) Any wire or oral communication.

21       (b) Any communication made through a tone-only paging device.

22       (c) Any communication from a tracking device.

23       5. "Electronic communication system" means any communication or  
24 computer facilities or related electronic equipment for the transmission,  
25 processing or electronic storage of electronic communications.

26       6. "Electronic storage" means either of the following:

27       (a) Any temporary, intermediate storage of a wire or electronic  
28 communication incidental to the electronic transmission.

29       (b) Any storage of the communication by an electronic communication  
30 service provider for purposes of backup protection of the communication.

31       7. "Intercept" means the aural or other acquisition of the contents  
32 of any wire, electronic or oral communication through the use of any  
33 electronic, mechanical or other device.

34       8. "Oral communication" means a spoken communication that is uttered  
35 by a person exhibiting WHO EXHIBITS an expectation that such THE  
36 communication is not subject to interception under circumstances justifying  
37 the expectation but does not include any electronic communication.

38       9. "Pen register" means a device OR PROCESS that records or decodes  
39 electronic or other impulses that identify the numbers dialed or otherwise  
40 transmitted on the telephone line or communication facility to which the  
41 device is attached OR THE DIALING, ROUTING, ADDRESSING OR SIGNALING  
42 INFORMATION THAT IS TRANSMITTED BY AN INSTRUMENT OR FACILITY FROM WHICH A  
43 WIRE OR ELECTRONIC COMMUNICATION IS TRANSMITTED BUT DOES NOT INCLUDE THE  
44 CONTENTS OF ANY COMMUNICATION, EXCEPT WHEN USED IN CONNECTION WITH A COURT  
45 ORDER ISSUED PURSUANT TO SECTION 13-3010 OR 13-3012. A PEN REGISTER DOES NOT

1 INCLUDE A PUBLICLY AVAILABLE DEVICE OR PROCESS THAT IS OTHERWISE NOT  
2 UNLAWFUL.

3 10. "Person" means any individual, enterprise, public or private  
4 corporation, unincorporated association, partnership, firm, society,  
5 governmental authority or entity, including the subscriber to the  
6 communication service involved, and any law enforcement officer.

7 11. "Readily accessible to the general public" means a radio  
8 communication that is not:

9 (a) Scrambled or encrypted.

10 (b) Transmitted using modulation techniques with essential parameters  
11 that have been withheld from the public to preserve the privacy of the  
12 communication.

13 (c) Carried on a subcarrier or other signal subsidiary to a radio  
14 transmission.

15 (d) Transmitted over a communication system provided by a common  
16 carrier, unless the communication is a tone-only paging system communication.

17 (e) Transmitted on frequencies allocated under part 25, subpart D, E  
18 or F or part 74 or part 94 of the rules of the federal communications  
19 commission. If a communication transmitted on a frequency allocated under  
20 part 74 is not exclusively allocated to broadcast auxiliary services, the  
21 communication is a two-way voice communication system by radio.

22 12. "Remote computing service" means providing to the public any  
23 computer storage or processing services by means of an electronic  
24 communication system.

25 13. "Trap and trace device" means a device OR PROCESS that captures the  
26 incoming electronic or other impulses that identify the originating number  
27 of an instrument or device from which a wire or electronic communication was  
28 transmitted OR THE DIALING, ROUTING, ADDRESSING AND SIGNALING INFORMATION  
29 THAT IS REASONABLY LIKELY TO IDENTIFY THE SOURCE OF A WIRE OR ELECTRONIC  
30 COMMUNICATION BUT DOES NOT INCLUDE THE CONTENT OF ANY COMMUNICATION, EXCEPT  
31 WHEN USED IN CONNECTION WITH A COURT ORDER ISSUED PURSUANT TO SECTION 13-3010  
32 OR 13-3012. A TRAP AND TRACE DEVICE DOES NOT INCLUDE A PUBLICLY AVAILABLE  
33 DEVICE OR PROCESS THAT IS OTHERWISE NOT UNLAWFUL.

34 14. "Wire communication" means any aural transfer that is made in whole  
35 or in part through the use of facilities for the transmission of  
36 communications by the aid of any wire, cable or other like connection between  
37 the point of origin and the point of reception, including the use of a  
38 connection in a switching station, and that is furnished or operated by any  
39 person WHO IS engaged in providing or operating the facilities for the  
40 transmission of communications. ~~Wire communication includes any electronic  
41 storage of the communication.~~

42 Sec. 16. Section 13-3012, Arizona Revised Statutes, is amended to  
43 read:

44 13-3012. Exemptions

45 The following are exempt from the provisions of this chapter:

1           1. The interception of wire, electronic or oral communications, the  
2 installation and operation of a pen register or trap and trace device, the  
3 providing of information, facilities or technical assistance to an  
4 investigative or law enforcement officer pursuant to a subpoena or an ex  
5 parte order granted pursuant to sections 13-3010, 13-3015, 13-3016, 13-3017  
6 and 13-3018 or an emergency interception made in good faith pursuant to  
7 section 13-3015, including any of the foregoing acts by a communication  
8 service provider or its officers, agents or employees.

9           2. The normal use of services, equipment and facilities that are  
10 provided by a communication service provider pursuant to tariffs THAT ARE on  
11 file with the Arizona corporation commission or the federal communications  
12 commission and the normal functions of any operator of a switchboard.

13           3. Any officer, agent or employee of a communication service provider  
14 who performs acts that are otherwise prohibited by this article in providing,  
15 constructing, maintaining, repairing, operating or using the provider's  
16 services, equipment or facilities, protecting the provider's service,  
17 equipment and facilities from illegal use in violation of tariffs THAT ARE  
18 on file with the Arizona corporation commission or the federal communications  
19 commission and protecting the provider from the commission of fraud against  
20 it.

21           4. Providing requested information or any other response to a subpoena  
22 or other order THAT IS issued by a court of competent jurisdiction or on  
23 demand of any other lawful authority.

24           5. The interception of wire or electronic communications or the use  
25 of a pen register or trap and trace device by a communication service  
26 provider OR BY A PERSON PROVIDING TECHNICAL ASSISTANCE AT THE REQUEST OF THE  
27 COMMUNICATION SERVICE PROVIDER if the interception or use either:

28           (a) Relates to the operation, maintenance and testing of that service,  
29 the protection of the rights or property of the provider or the protection  
30 of users of that service from fraudulent, abusive or unlawful use of that  
31 service.

32           (b) Records the fact that a wire or electronic communication was  
33 initiated or completed in order to protect the provider, another provider  
34 furnishing service toward the completion of the communication or a user of  
35 that service from fraudulent, unlawful or abusive use of that service.

36           6. The interception of any radio communication that is transmitted:

37           (a) By any station for the use of the general public or if the  
38 transmission relates to ships, aircraft, vehicles or persons in distress.

39           (b) By any government, law enforcement, civil defense, private land  
40 mobile or public safety communication system, including police and fire  
41 systems, and that is readily accessible to the general public.

42           (c) By any station that operates on an authorized frequency within the  
43 bands that are allocated to the amateur, citizens band or general mobile  
44 radio services.

45           (d) By any marine or aeronautical communications system.

1 (e) Through a system using frequencies that are monitored by persons  
2 who are engaged in the provision or the use of the system or by other persons  
3 using WHO USE the same frequency if the communication is not scrambled or  
4 encrypted.

5 7. The interception of wire or electronic communication if the  
6 transmission is causing harmful interference to any lawfully operating  
7 station or consumer electronic equipment, to the extent necessary to identify  
8 the source of the interference.

9 8. The use of a pen register or trap and trace device by a  
10 communication service provider for billing or recording as an incident to  
11 billing for communication services, or for cost accounting or other like  
12 purposes in the ordinary course of business.

13 9. The interception of any wire, electronic or oral communication by  
14 any person, if the interception is effected with the consent of a party to  
15 the communication or a person who is present during the communication, or the  
16 installation of a pen register or trap and trace device with the consent of  
17 a user or subscriber to the service.

18 10. Divulging the contents of a wire or electronic communication AND  
19 ANY RELATED RECORDS OR INFORMATION to a law enforcement agency by a remote  
20 computing service or communication service provider, officer or employee if  
21 EITHER:

22 (a) The contents, RECORDS OR INFORMATION were lawfully or  
23 inadvertently obtained by the service provider and appear to pertain to the  
24 commission of a crime.

25 (b) THE PROVIDER REASONABLY BELIEVES THAT AN EMERGENCY INVOLVING  
26 IMMEDIATE DANGER OF DEATH OR SERIOUS PHYSICAL INJURY TO ANY PERSON JUSTIFIES  
27 THE DISCLOSURE OF THE CONTENTS, RECORDS OR INFORMATION WITHOUT DELAY.

28 11. DIVULGING RECORDS OR OTHER INFORMATION THAT PERTAINS TO A CUSTOMER  
29 OR SUBSCRIBER BY A REMOTE COMPUTING SERVICE OR COMMUNICATION SERVICE  
30 PROVIDER, OTHER THAN THE CONTENTS OF A COMMUNICATION, EITHER:

31 (a) AS AUTHORIZED BY SECTION 13-3016.

32 (b) WITH THE CUSTOMER'S OR SUBSCRIBER'S CONSENT.

33 (c) AS MAY BE NECESSARY INCIDENT TO THE RENDITION OF THE SERVICE OR  
34 FOR THE PROTECTION OF THE RIGHTS OR PROPERTY OF THE PROVIDER OF THAT SERVICE.

35 (d) TO ANY PERSON OTHER THAN A GOVERNMENTAL AGENCY.

36 ~~11.~~ 12. The interception or access of an electronic communication that  
37 is made through an electronic communication system and that is configured so  
38 that the electronic communication is readily accessible to the general  
39 public.

40 ~~12.~~ 13. For other users of the same frequency to intercept a radio  
41 communication that is made through a system that uses frequencies THAT ARE  
42 monitored by individuals who provide or use the system, if the communication  
43 is not scrambled or encrypted.

44 ~~13.~~ 14. The interception of oral communications by means of a child  
45 monitoring device.

1       Sec. 17. Section 13-3017, Arizona Revised Statutes, is amended to  
2 read:

3       13-3017. Ex parte order for pen register or trap and trace  
4               device

5       A. Any prosecuting attorney or investigating peace officer of this  
6 state or its political subdivisions may apply to any justice of the supreme  
7 court, judge of the court of appeals, judge of the superior court or  
8 magistrate for an ex parte order authorizing the installation and use of a  
9 pen register or a trap and trace device. The application shall be made in  
10 writing and under oath and shall state:

11       1. The name and title of the applicant.

12       ~~2. The telephone number or communication facility on which the pen~~  
13 ~~register or trap and trace device is to be installed and the identity of the~~  
14 ~~subscriber of the telephone number or communication facility.~~

15       2. THE ATTRIBUTES OF THE COMMUNICATION, INCLUDING THE NUMBER OR OTHER  
16 IDENTIFIER, THE IDENTITY, IF KNOWN, OF THE SUBSCRIBER AND, IF KNOWN, THE  
17 LOCATION OF THE TELEPHONE LINE OR OTHER FACILITY TO WHICH THE PEN REGISTER  
18 OR TRAP AND TRACE DEVICE IS TO BE ATTACHED OR APPLIED AND, IF THE ORDER  
19 AUTHORIZES THE INSTALLATION OF A TRAP AND TRACE DEVICE, THE GEOGRAPHIC LIMITS  
20 OF THE ORDER.

21       3. A certification by the applicant that the information likely to be  
22 obtained is relevant to an ongoing criminal investigation.

23       4. A statement of the offense to which the information likely to be  
24 obtained by the pen register or trap and trace device relates.

25       B. On proper application pursuant to subsection A, the judge shall  
26 issue an ex parte order authorizing the installation and use of a pen  
27 register or trap and trace device OR PROCESS if the judge finds that the  
28 applicant has certified that the information likely to be obtained by such  
29 THE installation and use is relevant to an ongoing criminal  
30 investigation. ON SERVICE, THE ORDER APPLIES TO ANY PERSON OR ENTITY THAT  
31 PROVIDES WIRE OR ELECTRONIC COMMUNICATION SERVICE IN THIS STATE OR THAT DOES  
32 BUSINESS IN THIS STATE AND WHOSE ASSISTANCE MAY FACILITATE THE EXECUTION OF  
33 THE ORDER. IF AN ORDER IS SERVED ON ANY PERSON OR ENTITY THAT IS NOT  
34 SPECIFICALLY NAMED IN THE ORDER AND ON REQUEST OF THE PERSON OR ENTITY, THE  
35 PROSECUTING ATTORNEY OR PEACE OFFICER WHO SERVES THE ORDER SHALL PROVIDE  
36 WRITTEN OR ELECTRONIC CERTIFICATION THAT THE ORDER APPLIES TO THE PERSON OR  
37 ENTITY BEING SERVED. An order THAT IS issued under this subsection shall  
38 specify all of the following:

39       1. The identity, if known, of the subscriber of the communication  
40 service or telephone line to which the pen register or trap and trace device  
41 is to be attached OR APPLIED.

42       ~~2. The identity, if known, of the person who is the subject of the~~  
43 ~~criminal investigation.~~

44       ~~3. The number and, if known, physical location of the communication~~  
45 ~~facility or telephone line to which the pen register or trap and trace device~~

1 ~~is to be attached and, in the case of a trap and trace device, the geographic~~  
2 ~~limits, if any, of the trap and trace order.~~

3 2. THE ATTRIBUTES OF THE COMMUNICATION TO WHICH THE ORDER APPLIES,  
4 INCLUDING THE NUMBER OR OTHER IDENTIFIER AND, IF KNOWN, THE LOCATION OF THE  
5 TELEPHONE LINE OR OTHER FACILITY TO WHICH THE PEN REGISTER OR TRAP AND TRACE  
6 DEVICE IS TO BE ATTACHED OR APPLIED AND, IF THE ORDER AUTHORIZES THE  
7 INSTALLATION OF A TRAP AND TRACE DEVICE, THE GEOGRAPHIC LIMITS OF THE ORDER.

8 4. 3. A statement of the offense to which the information likely to  
9 be obtained by the pen register or trap and trace device relates.

10 5. 4. That, on the request of the applicant, the communication  
11 service provider shall furnish information, facilities and technical  
12 assistance necessary to accomplish the installation of the pen register or  
13 trap and trace device and to identify subscribers of any communication  
14 facility or telephone number obtained by operation of such device.

15 C. An order THAT IS issued under this section authorizes the  
16 installation and use of a pen register or trap and trace device for a period  
17 of not to exceed sixty days. Extensions of the order may be granted, but  
18 only upon ON an application and judicial finding pursuant to subsections A  
19 and B. The period of each extension granted shall not exceed sixty days.

20 Sec. 18. Section 13-3102, Arizona Revised Statutes, is amended to  
21 read:

22 13-3102. Misconduct involving weapons; defenses;  
23 classification; definitions

24 A. A person commits misconduct involving weapons by knowingly:

25 1. Carrying a deadly weapon without a permit pursuant to section  
26 13-3112 except a pocket knife concealed on his person; or

27 2. Carrying a deadly weapon without a permit pursuant to section  
28 13-3112 concealed within immediate control of any person in or on a means of  
29 transportation; or

30 3. Manufacturing, possessing, transporting, selling or transferring  
31 a prohibited weapon; or

32 4. Possessing a deadly weapon if such person is a prohibited  
33 possessor; or

34 5. Selling or transferring a deadly weapon to a prohibited possessor;  
35 or

36 6. Defacing a deadly weapon; or

37 7. Possessing a defaced deadly weapon knowing the deadly weapon was  
38 defaced; or

39 8. Using or possessing a deadly weapon during the commission of any  
40 felony offense included in chapter 34 of this title; or

41 9. Discharging a firearm at an occupied structure in order to assist,  
42 promote or further the interests of a criminal street gang, a criminal  
43 syndicate or a racketeering enterprise; or

44 10. Unless specifically authorized by law, entering any public  
45 establishment or attending any public event and carrying a deadly weapon on



1 his person after a reasonable request by the operator of the establishment  
2 or the sponsor of the event or the sponsor's agent to remove his weapon and  
3 place it in the custody of the operator of the establishment or the sponsor  
4 of the event; or

5 11. Unless specifically authorized by law, entering an election polling  
6 place on the day of any election carrying a deadly weapon; or

7 12. Possessing a deadly weapon on school grounds; or

8 13. Unless specifically authorized by law, entering a commercial  
9 nuclear OR HYDROELECTRIC generating station carrying a deadly weapon on his  
10 person or within the immediate control of any person; or

11 14. Supplying, selling or giving possession or control of a firearm to  
12 another person if the person knows or has reason to know that the other  
13 person would use the firearm in the commission of any felony; OR

14 15. USING, POSSESSING OR EXERCISING CONTROL OVER A DEADLY WEAPON IN  
15 FURTHERANCE OF ANY ACT OF TERRORISM AS DEFINED IN SECTION 13-2301 OR  
16 POSSESSING OR EXERCISING CONTROL OVER A DEADLY WEAPON KNOWING OR HAVING  
17 REASON TO KNOW THAT IT WILL BE USED TO FACILITATE ANY ACT OF TERRORISM AS  
18 DEFINED IN SECTION 13-2301.

19 B. Subsection A, paragraph 1 of this section shall not apply to a  
20 person in his dwelling, on his business premises or on real property owned  
21 or leased by that person.

22 C. Subsection A, paragraphs 1, 2, 3, 7, 10, 11, 12 and 13 of this  
23 section shall not apply to:

24 1. A peace officer or any person summoned by any peace officer to  
25 assist and while actually assisting in the performance of official duties;  
26 or

27 2. A member of the military forces of the United States or of any  
28 state of the United States in the performance of official duties; or

29 3. A warden, deputy warden or correctional officer of the state  
30 department of corrections; or

31 4. A person specifically licensed, authorized or permitted pursuant  
32 to a statute of this state or of the United States.

33 D. Subsection A, paragraphs 3 and 7 of this section shall not apply  
34 to:

35 1. The possessing, transporting, selling or transferring of weapons  
36 by a museum as a part of its collection or an educational institution for  
37 educational purposes or by an authorized employee of such museum or  
38 institution, if:

39 (a) Such museum or institution is operated by the United States or  
40 this state or a political subdivision of this state, or by an organization  
41 described in section 170(c) of title 26 of the United States Code as a  
42 recipient of a charitable contribution; and

43 (b) Reasonable precautions are taken with respect to theft or misuse  
44 of such material.

1           2. The regular and lawful transporting as merchandise; or  
2           3. Acquisition by a person by operation of law such as by gift, devise  
3 or descent or in a fiduciary capacity as a recipient of the property or  
4 former property of an insolvent, incapacitated or deceased person.

5           E. Subsection A, paragraph 3 of this section shall not apply to the  
6 merchandise of an authorized manufacturer of or dealer in prohibited weapons,  
7 when such material is intended to be manufactured, possessed, transported,  
8 sold or transferred solely for or to a dealer or a regularly constituted or  
9 appointed state, county or municipal police department or police officer, or  
10 a detention facility, or the military service of this or another state or the  
11 United States, or a museum or educational institution or a person  
12 specifically licensed or permitted pursuant to federal or state law.

13           F. Subsection A, paragraph 1 of this section shall not apply to a  
14 weapon or weapons carried in a belt holster which holster is wholly or  
15 partially visible, or carried in a scabbard or case designed for carrying  
16 weapons which scabbard or case is wholly or partially visible or carried in  
17 luggage. Subsection A, paragraph 2 of this section shall not apply to a  
18 weapon or weapons carried in a case, holster, scabbard, pack or luggage which  
19 THAT is carried within a means of transportation or within a storage  
20 compartment, trunk or glove compartment of a means of transportation.

21           G. Subsection A, paragraph 10 of this section shall not apply to  
22 shooting ranges or shooting events, hunting areas or similar locations or  
23 activities.

24           H. Subsection A, paragraph 3 of this section shall not apply to a  
25 weapon described in section 13-3101, paragraph 7, subdivision (e), if such  
26 weapon is possessed for the purposes of preparing for, conducting or  
27 participating in lawful exhibitions, demonstrations, contests or athletic  
28 events involving the use of such weapon. Subsection A, paragraph 12 of this  
29 section shall not apply to a weapon if such weapon is possessed for the  
30 purposes of preparing for, conducting or participating in hunter or firearm  
31 safety courses.

32           I. Subsection A, paragraph 12 of this section shall not apply to the  
33 possession of a:

34           1. Firearm which THAT is not loaded and which THAT is carried within  
35 a means of transportation under the control of an adult provided that if the  
36 adult leaves the means of transportation the firearm shall not be visible  
37 from the outside of the means of transportation and the means of  
38 transportation shall be locked.

39           2. Firearm for use on the school grounds in a program approved by a  
40 school.

41           J. Misconduct involving weapons under subsection A, paragraph 9, or  
42 14 OR 15 of this section is a class 3 felony. Misconduct involving weapons  
43 under subsection A, paragraph 3, 4, or 8 OR 13 of this section is a class 4  
44 felony. Misconduct involving weapons under subsection A, paragraph 12 of  
45 this section is a class 1 misdemeanor unless the violation occurs in

1 connection with conduct which violates the provisions of section 13-2308,  
2 subsection A, paragraph 5, section 13-2312, subsection C, section 13-3409 or  
3 section 13-3411, in which case the offense is a class 6 felony. Misconduct  
4 involving weapons under subsection A, paragraphs PARAGRAPH 5, 6 and OR 7 of  
5 this section is a class 6 felony. Misconduct involving weapons under  
6 subsection A, paragraphs PARAGRAPH 1, 2, 10, OR 11 and 13 of this section  
7 is a class 1 misdemeanor.

8 K. For purposes of this section:

9 1. "Public establishment" means a structure, vehicle or craft that is  
10 owned, leased or operated by this state or a political subdivision of this  
11 state.

12 2. "Public event" means a specifically named or sponsored event of  
13 limited duration either conducted by a public entity or conducted by a  
14 private entity with a permit or license granted by a public entity. Public  
15 event does not include an unsponsored gathering of people in a public place.

16 3. "School" means a public or nonpublic kindergarten program, common  
17 school or high school.

18 4. "School grounds" means in, or on the grounds of, a school.

19 Sec. 19. Section 13-3704, Arizona Revised Statutes, is amended to  
20 read:

21 13-3704. Adding poison or other harmful substance to food,  
22 drink or medicine; classification

23 A. A person commits adding poison or other ANOTHER harmful substance  
24 to WATER, food, drink or medicine by IF THE PERSON INTENDS TO HARM ANOTHER  
25 HUMAN BEING AND THE PERSON knowingly:

26 1. Mingling INTRODUCES, ADDS OR MINGLES ANY poison, with BACTERIUM,  
27 VIRUS OR CHEMICAL COMPOUND INTO any spring, well or reservoir of water to be  
28 taken by a human being; or

29 2. Mingling INTRODUCES, ADDS OR MINGLES ANY poison, BACTERIUM, VIRUS  
30 OR CHEMICAL COMPOUND with or placing ANY WATER, FOOD, DRINK, MEDICINE OR  
31 OTHER PRODUCT TO BE TAKEN BY A HUMAN BEING OR APPLIED TO THE BODY.

32 3. PLACES a needle, razor blade or any other harmful object or  
33 substance in any WATER, food, drink or medicine to be taken by a human being.

34 B. ~~Adding poison or other harmful substance to food, drink or medicine~~  
35 A VIOLATION OF THIS SECTION is a class 6 felony.

36 Sec. 20. Section 13-3919, Arizona Revised Statutes, is amended to  
37 read:

38 13-3919. Receipt for property; definitions

39 A. ~~When the~~ IF AN officer takes any property under the warrant, ~~he~~ THE  
40 OFFICER shall give a detailed receipt for the property taken to the person  
41 from whom it was taken, or in whose possession it was found. If the  
42 property was not taken from a person, the officer shall leave the receipt at  
43 the place where ~~he found~~ the property WAS FOUND.

1 B. THE COURT MAY DELAY FOR A REASONABLE PERIOD THE SERVICE OF THE  
2 DETAILED RECEIPT REQUIRED BY SUBSECTION A OF THIS SECTION IF ALL OF THE  
3 FOLLOWING APPLY:

4 1. THE COURT FINDS THAT THERE IS REASONABLE CAUSE TO BELIEVE THAT THE  
5 DELAY IS NECESSARY TO PROTECT THE SAFETY OF ANY PERSON OR TO PREVENT FLIGHT  
6 FROM PROSECUTION, TAMPERING WITH EVIDENCE, INTIMIDATION OF WITNESSES OR  
7 JEOPARDIZING AN INVESTIGATION.

8 2. UNLESS THE COURT FINDS REASONABLE NECESSITY FOR THE SEIZURE, THE  
9 WARRANT PROHIBITS THE SEIZURE OF ANY TANGIBLE PROPERTY, ANY WIRE OR  
10 ELECTRONIC COMMUNICATION OR, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 13-3016,  
11 ANY STORED WIRE OR ELECTRONIC INFORMATION.

12 3. THE WARRANT PROVIDES FOR SERVICE OF A DETAILED RECEIPT WITHIN A  
13 REASONABLE PERIOD AFTER THE EXECUTION OF THE WARRANT. EXTENSIONS MAY BE  
14 GRANTED, BUT ONLY ON AN APPLICATION AND JUDICIAL FINDING. THE PERIOD OF EACH  
15 EXTENSION SHALL NOT EXCEED TEN DAYS.

16 C. FOR THE PURPOSES OF THIS SECTION:

17 1. "ELECTRONIC COMMUNICATION" HAS THE SAME MEANING PRESCRIBED IN  
18 SECTION 13-3001.

19 2. "WIRE COMMUNICATION" HAS THE SAME MEANING PRESCRIBED IN SECTION  
20 13-3001.

21 Sec. 21. Section 13-3961, Arizona Revised Statutes, is amended to  
22 read:

23 13-3961. Offenses not bailable; preconviction; exceptions

24 A. A person WHO IS in custody shall not be admitted to bail if the  
25 proof is evident or the presumption great that ~~he~~ THE PERSON is guilty of the  
26 offense and the offense charged is a capital offense.

27 B. A person WHO IS in custody shall not be admitted to bail if the  
28 person is charged with a felony offense and the state certifies by motion and  
29 the court finds after a hearing on the matter that there is clear and  
30 convincing evidence that the person charged poses a substantial danger to  
31 another person or the community OR ENGAGED IN CONDUCT CONSTITUTING A VIOLENT  
32 OFFENSE, that no condition or combination of conditions of release may be  
33 imposed ~~which~~ THAT will reasonably assure the safety of the other person or  
34 the community and that the proof is evident or the presumption great that the  
35 person committed the offense for which ~~he~~ THE PERSON is charged. FOR THE  
36 PURPOSES OF THIS SUBSECTION, "VIOLENT OFFENSE" MEANS EITHER OF THE FOLLOWING:

37 1. A DANGEROUS CRIME AGAINST CHILDREN.

38 2. TERRORISM.

39 C. ~~Upon~~ ON oral motion of the state, the court shall order the hearing  
40 required by subsection B at or within twenty-four hours of the initial  
41 appearance unless the person WHO IS subject to detention or the state moves  
42 for a continuance. A continuance THAT IS granted on THE motion of the person  
43 shall not exceed five calendar days unless there are extenuating  
44 circumstances. A continuance on THE motion of the state shall be granted  
45 upon ON good cause shown and shall not exceed twenty-four hours. The person

1 may be detained pending the hearing. The person shall be IS entitled to  
 2 representation by counsel and shall be IS entitled to present information by  
 3 proffer or otherwise, to testify, and to present witnesses in his THE  
 4 PERSON'S own behalf. Testimony of the person charged THAT IS given during  
 5 the hearing shall not be admissible on the issue of guilt in any subsequent  
 6 judicial proceeding, except as it might relate to the compliance with or  
 7 violation of any condition of release subsequently imposed or the imposition  
 8 of appropriate sentence or in perjury proceedings, or for the purposes of  
 9 impeachment. The case of such person shall be placed on an expedited  
 10 calendar and, consistent with the sound administration of justice, his THE  
 11 PERSON'S trial shall be given priority. Such person may be admitted to bail  
 12 in accordance with the ARIZONA rules of criminal procedure whenever a  
 13 judicial officer finds that a subsequent event has eliminated the basis for  
 14 such detention.

15 D. The finding of an indictment or the filing of an information does  
 16 not add to the strength of the proof or the presumption to be drawn  
 17 therefrom.

18 ~~E. If there is clear and convincing evidence that a person in custody~~  
 19 ~~engaged in conduct constituting a dangerous crime against children, the~~  
 20 ~~person poses a substantial danger to another person or the community for the~~  
 21 ~~purposes of subsection B.~~

22 Sec. 22. Section 26-168, Arizona Revised Statutes, is amended to read:

23 26-168. Absence from employment for military duty; vacation and  
 24 seniority rights; violation; classification

25 A. An employer shall not refuse to permit members of the national  
 26 guard to take leaves of absence from employment for the purpose of complying  
 27 with competent orders of the state or United States for active duty, or to  
 28 attend camps, maneuvers, formations or armory drills. The leaves of absence  
 29 shall not affect vacation rights which employees otherwise have, except that  
 30 an employer need not consider the period of absence as a period of work  
 31 performed for him in determining eligibility for vacation and the amount of  
 32 vacation pay to which the employee is entitled.

33 B. A member of the national guard shall not lose seniority or  
 34 precedence while absent under competent military orders. Upon return to  
 35 employment the employee shall be returned to his previous position, or to a  
 36 higher position commensurate with his ability and experience as seniority or  
 37 precedence would ordinarily entitle him.

38 C. An officer or employee of the state, or any department or political  
 39 subdivision thereof, who is a member of the national guard shall be entitled  
 40 to leave of absence from his duties without loss of time or efficiency rating  
 41 on all days during which he is engaged in field training as provided by this  
 42 chapter and for a period during leave of absence not to exceed thirty days  
 43 in any two consecutive years he shall be entitled to his pay. For purposes  
 44 of this section, an officer or employee shall not be charged military leave  
 45 for days on which the individual was not otherwise scheduled for work.

1 D. WHEN ORDERED BY THE GOVERNOR TO PERFORM TRAINING OR DUTY UNDER THIS  
2 SECTION OR SECTION 26-171, SUBSECTION C, SECTION 26-172 OR 26-175, MEMBERS  
3 OF THE ARIZONA NATIONAL GUARD SHALL HAVE THE PROTECTIONS AFFORDED TO PERSONS  
4 ON FEDERAL ACTIVE DUTY BY THE SOLDIERS AND SAILORS CIVIL RELIEF ACT OF 1940  
5 (54 STAT. 1178, 50 APP. UNITED STATES CODE ANNOTATED SECTIONS 501 THROUGH 548  
6 AND 560 THROUGH 591), AND BY THE UNIFORMED SERVICES EMPLOYMENT AND  
7 REEMPLOYMENT RIGHTS ACT OF 1994 (108 STAT. 3149, 38 UNITED STATES CODE  
8 ANNOTATED SECTIONS 4301 THROUGH 4333).

9 ~~D.~~ E. A person violating any provision of subsection A or B of this  
10 section is guilty of a class 3 misdemeanor.

11 Sec. 23. Section 41-1750, Arizona Revised Statutes, is amended to  
12 read:

13 41-1750. Central state repository; department of public safety;  
14 duties; funds; accounts; definitions

15 A. Notwithstanding section 41-2205, the department is responsible for  
16 the effective operation of the central state repository in order to collect,  
17 store and disseminate complete and accurate Arizona criminal history records  
18 and related criminal justice information. The department shall:

19 1. Procure from all criminal justice agencies in this state accurate  
20 and complete personal identification data, fingerprints, charges, process  
21 control numbers and dispositions and such other information as may be  
22 pertinent to all persons who have been charged with, arrested for, convicted  
23 of or summoned to court as a criminal defendant for a felony offense or an  
24 offense involving domestic violence as defined in section 13-3601 or a  
25 violation of title 13, chapter 14 or title 28, chapter 4.

26 2. Collect information concerning the number and nature of offenses  
27 known to have been committed in this state and of the legal steps taken in  
28 connection with these offenses, such other information that is useful in the  
29 study of crime and in the administration of criminal justice and all other  
30 information deemed necessary to operate the statewide uniform crime reporting  
31 program and to cooperate with the federal government uniform crime reporting  
32 program.

33 3. Collect information concerning criminal offenses that manifest  
34 evidence of prejudice based on race, color, religion, national origin, sexual  
35 orientation, gender or disability.

36 4. Cooperate with the central state repositories in other states and  
37 with the appropriate agency of the federal government in the exchange of  
38 information pertinent to violators of the law.

39 5. Ensure the rapid exchange of information concerning the commission  
40 of crime and the detection of violators of the law among the criminal justice  
41 agencies of other states and of the federal government.

42 6. Furnish assistance to peace officers throughout this state in  
43 crime scene investigation for the detection of latent fingerprints and in the  
44 comparison of latent fingerprints.

1           7. Conduct periodic operational audits of the central state  
2 repository and of a representative sample of other agencies that contribute  
3 records to or receive criminal justice information from the central state  
4 repository or through the Arizona criminal justice information system.

5           8. Establish and enforce the necessary physical and system safeguards  
6 to ensure that the criminal justice information maintained and disseminated  
7 by the central state repository or through the Arizona criminal justice  
8 information system is appropriately protected from unauthorized inquiry,  
9 modification, destruction or dissemination as required by this section.

10          9. Aid and encourage coordination and cooperation among criminal  
11 justice agencies through the statewide and interstate exchange of criminal  
12 justice information.

13          10. Provide training and proficiency testing on the use of criminal  
14 justice information to agencies receiving information from the central state  
15 repository or through the Arizona criminal justice information system.

16          11. Operate and maintain the Arizona automated fingerprint  
17 identification system established pursuant to section 41-2411.

18          12. Provide criminal history record information to the fingerprinting  
19 division for the purpose of screening applicants for fingerprint clearance  
20 cards.

21          B. The director may establish guidelines for the submission and  
22 retention of criminal justice information as deemed useful for the study or  
23 prevention of crime and for the administration of criminal justice.

24          C. The chief officers of criminal justice agencies of this state or  
25 its political subdivisions shall provide to the central state repository  
26 fingerprints and information concerning personal identification data,  
27 descriptions, crimes for which persons are arrested, process control numbers  
28 and dispositions and such other information as may be pertinent to all  
29 persons who have been charged with, arrested for, convicted of or summoned  
30 to court as criminal defendants for felony offenses or offenses involving  
31 domestic violence as defined in section 13-3601 or violations of title 13,  
32 chapter 14 or title 28, chapter 4 that have occurred in this state.

33          D. The chief officers of law enforcement agencies of this state or  
34 its political subdivisions shall provide to the central state repository such  
35 information as necessary to operate the statewide uniform crime reporting  
36 program and to cooperate with the federal government uniform crime reporting  
37 program.

38          E. The chief officers of criminal justice agencies of this state or  
39 its political subdivisions shall comply with the training and proficiency  
40 testing guidelines as required by the department to comply with the federal  
41 national crime information center mandates.

42          F. The chief officers of criminal justice agencies of this state or  
43 its political subdivisions also shall provide to the criminal identification  
44 section information concerning crimes that manifest evidence of prejudice

1 based on race, color, religion, national origin, sexual orientation, gender  
2 or disability.

3 G. The director shall authorize the exchange of criminal justice  
4 information between the central state repository, or through the Arizona  
5 criminal justice information system, whether directly or through any  
6 intermediary, only as follows:

7 1. With criminal justice agencies of the federal government, Indian  
8 tribes, this state or its political subdivisions and other states, upon ON  
9 request by the chief officers of such agencies or their designated  
10 representatives, specifically for the purposes of the administration of  
11 criminal justice and for evaluating the fitness of current and prospective  
12 criminal justice employees.

13 2. With any noncriminal justice agency pursuant to a statute,  
14 ordinance or executive order that specifically authorizes the noncriminal  
15 justice agency to receive criminal history record information for the purpose  
16 of evaluating the fitness of current or prospective licensees, employees,  
17 contract employees or volunteers, on submission of the subject's fingerprints  
18 and the prescribed fee. Each statute, ordinance, or executive order that  
19 authorizes noncriminal justice agencies to receive criminal history record  
20 information for these purposes shall identify the specific categories of  
21 licensees, employees, contract employees or volunteers, and shall require  
22 that fingerprints of the specified individuals be submitted in conjunction  
23 with such requests for criminal history record information.

24 3. With the board of fingerprinting for the purpose of conducting  
25 good cause exceptions pursuant to section 41-619.55.

26 4. With any individual for any lawful purpose on submission of the  
27 subject of record's fingerprints and the prescribed fee.

28 5. With the governor, if the governor elects to become actively  
29 involved in the investigation of criminal activity or the administration of  
30 criminal justice in accordance with the governor's constitutional duty to  
31 ensure that the laws are faithfully executed or as needed to carry out the  
32 other responsibilities of the governor's office.

33 6. With regional computer centers that maintain authorized  
34 computer-to-computer interfaces with the department, that are criminal  
35 justice agencies or under the management control of a criminal justice agency  
36 and that are established by a statute, ordinance or executive order to  
37 provide automated data processing services to criminal justice agencies  
38 specifically for the purposes of the administration of criminal justice or  
39 evaluating the fitness of regional computer center employees who have access  
40 to the Arizona criminal justice information system and the national crime  
41 information center system.

42 7. With an individual who asserts a belief that criminal history  
43 record information relating to the individual is maintained by an agency or  
44 in an information system in this state that is subject to this section. On  
45 submission of fingerprints, the individual may review this information for



1 the purpose of determining its accuracy and completeness by making  
2 application to the agency operating the system. Rules adopted under this  
3 section shall include provisions for administrative review and necessary  
4 correction of any inaccurate or incomplete information. The review and  
5 challenge process authorized by this paragraph is limited to criminal history  
6 record information.

7 8. With individuals and agencies pursuant to a specific agreement  
8 with a criminal justice agency to provide services required for the  
9 administration of criminal justice pursuant to that agreement if the  
10 agreement specifically authorizes access to data, limits the use of data to  
11 purposes for which given and ensures the security and confidentiality of the  
12 data consistent with the provisions of this section.

13 9. With individuals and agencies for the express purpose of research,  
14 evaluative or statistical activities pursuant to an agreement with a criminal  
15 justice agency if the agreement specifically authorizes access to data,  
16 limits the use of data to research, evaluative or statistical purposes and  
17 ensures the confidentiality and security of the data consistent with this  
18 section.

19 10. With the auditor general for audit purposes.

20 11. With central state repositories of other states for noncriminal  
21 justice purposes for dissemination in accordance with the laws of those  
22 states.

23 12. On submission of the fingerprint card, with the department of  
24 economic security to provide criminal history record information on  
25 prospective adoptive parents for the purpose of conducting the preadoption  
26 certification investigation under title 8, chapter 1, article 1 if the  
27 department of economic security is conducting the investigation, or with an  
28 agency or a person appointed by the court, if the agency or person is  
29 conducting the investigation. Information received under this paragraph  
30 shall only be used for the purposes of the preadoption certification  
31 investigation.

32 13. With the department of economic security and the superior court  
33 for the purpose of evaluating the fitness of custodians or prospective  
34 custodians of juveniles including parents, relatives and prospective  
35 guardians. Information received under this paragraph shall only be used for  
36 the purposes of that evaluation. The information shall be provided on  
37 submission of either:

38 (a) The fingerprint card.

39 (b) The name, date of birth and social security number of the person.

40 14. On submission of a fingerprint card, provide criminal history  
41 record information to the superior court for the purpose of evaluating the  
42 fitness of investigators appointed under section 14-5303 or 14-5407, or  
43 guardians appointed under section 14-5206.

44 15. With the supreme court to provide criminal history record  
45 information on prospective private fiduciaries pursuant to section 14-5651.

1       16. With the department of juvenile corrections to provide criminal  
2 history record information pursuant to section 41-2814.

3       17. On submission of the fingerprint card, provide criminal history  
4 record information to the Arizona peace officer standards and training board  
5 or a board certified law enforcement academy to evaluate the fitness of  
6 prospective cadets.

7       18. With the internet sex offender web site database established  
8 pursuant to section 13-3827.

9       19. WITH LICENSEES OF THE UNITED STATES NUCLEAR REGULATORY COMMISSION  
10 FOR THE PURPOSE OF DETERMINING WHETHER AN INDIVIDUAL SHOULD BE GRANTED  
11 UNESCORTED ACCESS TO THE PROTECTED AREA OF A COMMERCIAL NUCLEAR GENERATING  
12 STATION ON SUBMISSION OF THE SUBJECT OF RECORD'S FINGERPRINTS AND THE  
13 PRESCRIBED FEE.

14       ~~19.~~ 20. With the state board of education for the purpose of  
15 evaluating the fitness of a certificated teacher or administrator or an  
16 applicant for a teaching or an administrative certificate provided that the  
17 state board of education or its employees or agents have reasonable suspicion  
18 that the certificated person engaged in conduct that would be a criminal  
19 violation of the laws of this state or was involved in immoral or  
20 unprofessional conduct or that the applicant engaged in conduct that would  
21 warrant disciplinary action if the applicant were certificated at the time  
22 of the alleged conduct. The information shall be provided on the submission  
23 of either:

24       (a) The fingerprint card.

25       (b) The name, date of birth and social security number of the person.

26       H. The director shall adopt rules necessary to execute the provisions  
27 of this section.

28       I. The director, in the manner prescribed by law, shall remove and  
29 destroy records that the director determines are no longer of value in the  
30 detection or prevention of crime.

31       J. The director shall establish a fee in an amount necessary to cover  
32 the cost of federal noncriminal justice fingerprint processing for criminal  
33 history record information checks that are authorized by law for noncriminal  
34 justice employment, licensing or other lawful purposes. An additional fee  
35 may be charged by the department for state noncriminal justice fingerprint  
36 processing. Fees submitted to the department for state noncriminal justice  
37 fingerprint processing are not refundable.

38       K. The director shall establish a fee in an amount necessary to cover  
39 the cost of processing copies of department reports, eight by ten inch black  
40 and white photographs or eight by ten inch color photographs of traffic  
41 accident scenes.

42       L. Except as provided in subsection O of this section, each agency  
43 authorized by this section may charge a fee, in addition to any other fees  
44 prescribed by law, in an amount necessary to cover the cost of state and  
45 federal noncriminal justice fingerprint processing for criminal history

1 record information checks that are authorized by law for noncriminal justice  
2 employment, licensing or other lawful purposes.

3 M. A fingerprint account within the records processing fund is  
4 established for the purpose of separately accounting for the collection and  
5 payment of fees for noncriminal justice fingerprint processing by the  
6 department. Monies collected for this purpose shall be credited to the  
7 account, and payments by the department to the United States for federal  
8 noncriminal justice fingerprint processing shall be charged against the  
9 account. Monies in the account not required for payment to the United States  
10 shall be used by the department in support of the department's noncriminal  
11 justice fingerprint processing duties. At the end of each fiscal year, any  
12 balance in the account not required for payment to the United States or to  
13 support the department's noncriminal justice fingerprint processing duties  
14 reverts to the state general fund.

15 N. A records processing fund is established for the purpose of  
16 separately accounting for the collection and payment of fees for department  
17 reports and photographs of traffic accident scenes processed by the  
18 department. Monies collected for this purpose shall be credited to the fund  
19 and shall be used by the department in support of functions related to  
20 providing copies of department reports and photographs. At the end of each  
21 fiscal year, any balance in the fund not required for support of the  
22 functions related to providing copies of department reports and photographs  
23 reverts to the state general fund.

24 O. The department of economic security may pay from appropriated  
25 monies the cost of federal fingerprint processing or federal criminal history  
26 record information checks that are authorized by law for employees and  
27 volunteers of the department, guardians pursuant to section 46-134,  
28 subsection A, paragraph 15, the licensing of foster parents or the  
29 certification of adoptive parents.

30 P. The director shall adopt rules that provide for:

31 1. The collection and disposition of fees pursuant to this section.

32 2. The refusal of service to those agencies that are delinquent in  
33 paying these fees.

34 Q. The director shall ensure that the following limitations are  
35 observed regarding dissemination of criminal justice information obtained  
36 from the central state repository or through the Arizona criminal justice  
37 information system:

38 1. Any criminal justice agency that obtains criminal justice  
39 information from the central state repository or through the Arizona criminal  
40 justice information system assumes responsibility for the security of the  
41 information and shall not secondarily disseminate this information to any  
42 individual or agency not authorized to receive this information directly from  
43 the central state repository or originating agency.

44 2. Dissemination to an authorized agency or individual may be  
45 accomplished by a criminal justice agency only if the dissemination is for

1 criminal justice purposes in connection with the prescribed duties of the  
2 agency and not in violation of this section.

3 3. Criminal history record information disseminated to noncriminal  
4 justice agencies or to individuals shall be used only for the purposes for  
5 which it was given. Secondary dissemination is prohibited unless otherwise  
6 authorized by law.

7 4. The existence or nonexistence of criminal history record  
8 information shall not be confirmed to any individual or agency not authorized  
9 to receive the information itself.

10 5. Criminal history record information to be released for noncriminal  
11 justice purposes to agencies of other states shall only be released to the  
12 central state repositories of those states for dissemination in accordance  
13 with the laws of those states.

14 6. Criminal history record information shall be released to  
15 noncriminal justice agencies of the federal government pursuant to the terms  
16 of the federal security clearance information act (P.L. 99-169).

17 R. This section and the rules adopted under this section apply to all  
18 agencies and individuals collecting, storing or disseminating criminal  
19 justice information processed by manual or automated operations if the  
20 collection, storage or dissemination is funded in whole or in part with  
21 monies made available by the law enforcement assistance administration after  
22 July 1, 1973, pursuant to title I of the crime control act of 1973, and to  
23 all agencies that interact with or receive criminal justice information from  
24 or through the central state repository and through the Arizona criminal  
25 justice information system.

26 S. This section does not apply to criminal history record information  
27 contained in:

28 1. Posters, arrest warrants, announcements or lists for identifying  
29 or apprehending fugitives or wanted persons.

30 2. Original records of entry such as police blotters maintained by  
31 criminal justice agencies, compiled chronologically and required by law or  
32 long-standing custom to be made public if these records are organized on a  
33 chronological basis.

34 3. Transcripts or records of judicial proceedings if released by a  
35 court or legislative or administrative proceedings.

36 4. Announcements of executive clemency or pardon.

37 5. Computer databases, other than the Arizona criminal justice  
38 information system, that are specifically designed for community notification  
39 of an offender's presence in the community pursuant to section 13-3825 or for  
40 public informational purposes authorized by section 13-3827.

41 T. Nothing in this section prevents a criminal justice agency from  
42 disclosing to the public criminal history record information that is  
43 reasonably contemporaneous to the event for which an individual is currently  
44 within the criminal justice system, including information noted on traffic

1 accident reports concerning citations, blood alcohol tests, intoxilyzer tests  
2 or arrests made in connection with the traffic accident being investigated.

3 U. In order to ensure that complete and accurate criminal history  
4 record information is maintained and disseminated by the central state  
5 repository:

6 1. The arresting authority shall take legible fingerprints of all  
7 persons arrested for offenses specified in subsection C of this section and,  
8 within ten days of the arrest, the arresting authority shall forward the  
9 fingerprints to the department in the manner or form required by the  
10 department. On the issuance and service of a summons for a defendant who is  
11 charged with a felony offense, a violation of title 13, chapter 14 or title  
12 28, chapter 4 or a domestic violence offense as defined in section 13-3601,  
13 the court shall order that the defendant be fingerprinted by the appropriate  
14 law enforcement agency and that the defendant appear at a designated time and  
15 place for fingerprinting. At the initial appearance or on the arraignment of  
16 a summoned defendant who is charged with a felony offense, a violation of  
17 title 13, chapter 14 or title 28, chapter 4 or a domestic violence offense  
18 as defined in section 13-3601, the court shall order that the defendant be  
19 fingerprinted at a designated time and place by the appropriate law  
20 enforcement agency if the court has reasonable cause to believe that the  
21 defendant was not previously fingerprinted.

22 2. In every criminal case in which the defendant is incarcerated or  
23 fingerprinted as a result of the charge, an originating law enforcement  
24 agency or prosecutor, within forty days of the disposition, shall advise the  
25 central state repository of all dispositions concerning the termination of  
26 criminal proceedings against an individual arrested for an offense specified  
27 in subsection C of this section. This information shall be submitted on a  
28 form or in a manner required by the department.

29 3. Dispositions resulting from formal proceedings in a court having  
30 jurisdiction in a criminal action against an individual who is arrested for  
31 an offense specified in subsection C of this section or section 8-341,  
32 subsection R shall be reported to the central state repository within forty  
33 days of the date of the disposition. This information shall be submitted on  
34 a form or in a manner specified by rules approved by the supreme court.

35 4. The state department of corrections or the department of juvenile  
36 corrections, within forty days, shall advise the central state repository  
37 that it has assumed supervision of a person convicted of an offense specified  
38 in subsection C of this section or section 8-341, subsection R. The state  
39 department of corrections or the department of juvenile corrections shall  
40 also report dispositions that occur thereafter to the central state  
41 repository within forty days of the date of the dispositions. This  
42 information shall be submitted on a form or in a manner required by the  
43 department of public safety.

44 5. Each criminal justice agency shall query the central state  
45 repository before dissemination of any criminal history record information

1 to ensure the completeness of the information. Inquiries shall be made  
2 before any dissemination except in those cases in which time is of the  
3 essence and the repository is technically incapable of responding within the  
4 necessary time period. If time is of the essence, the inquiry shall still  
5 be made and the response shall be provided as soon as possible.

6 V. The director shall adopt rules specifying that any agency that  
7 collects, stores or disseminates criminal justice information that is subject  
8 to this section shall establish effective security measures to protect the  
9 information from unauthorized access, disclosure, modification or  
10 dissemination. The rules shall include reasonable safeguards to protect the  
11 affected information systems from fire, flood, wind, theft, sabotage or other  
12 natural or man-made hazards or disasters.

13 W. The department shall make available to agencies that contribute  
14 to, or receive criminal justice information from, the central state  
15 repository or through the Arizona criminal justice information system a  
16 continuing training program in the proper methods for collecting, storing and  
17 disseminating information in compliance with this section.

18 X. Nothing in this section creates a cause of action or a right to  
19 bring an action including an action based on discrimination due to sexual  
20 orientation.

21 Y. For purposes of this section:

22 1. "Administration of criminal justice" means performance of the  
23 detection, apprehension, detention, pretrial release, post-trial release,  
24 prosecution, adjudication, correctional supervision or rehabilitation of  
25 criminal offenders. Administration of criminal justice includes enforcement  
26 of criminal traffic offenses and civil traffic violations, including parking  
27 violations, when performed by a criminal justice agency. Administration of  
28 criminal justice also includes criminal identification activities and the  
29 collection, storage and dissemination of criminal history record information.

30 2. "Administrative records" means records that contain adequate and  
31 proper documentation of the organization, functions, policies, decisions,  
32 procedures and essential transactions of the agency and that are designed to  
33 furnish information to protect the rights of this state and of persons  
34 directly affected by the agency's activities.

35 3. "Arizona criminal justice information system" or "system" means  
36 the statewide information system managed by the director for the collection,  
37 processing, preservation, dissemination and exchange of criminal justice  
38 information and includes the electronic equipment, facilities, procedures and  
39 agreements necessary to exchange this information.

40 4. "Central state repository" means the central location within the  
41 department for the collection, storage and dissemination of Arizona criminal  
42 history records and related criminal justice information.

43 5. "Criminal history record information" and "criminal history  
44 record" means information that is collected by criminal justice agencies on  
45 individuals and that consists of identifiable descriptions and notations of

1 arrests, detentions, indictments and other formal criminal charges, and any  
2 disposition arising from those actions, sentencing, formal correctional  
3 supervisory action and release. Criminal history record information and  
4 criminal history record do not include identification information to the  
5 extent that the information does not indicate involvement of the individual  
6 in the criminal justice system or information relating to juveniles unless  
7 they have been adjudicated as adults.

8 6. "Criminal justice agency" means either:

9 (a) A court at any governmental level with criminal or equivalent  
10 jurisdiction, including courts of any foreign sovereignty duly recognized by  
11 the federal government.

12 (b) A government agency or subunit of a government agency that is  
13 specifically authorized to perform as its principal function the  
14 administration of criminal justice pursuant to a statute, ordinance or  
15 executive order and that allocates more than fifty per cent of its annual  
16 budget to the administration of criminal justice. This subdivision includes  
17 agencies of any foreign sovereignty duly recognized by the federal  
18 government.

19 7. "Criminal justice information" means information that is collected  
20 by criminal justice agencies and that is needed for the performance of their  
21 legally authorized and required functions, such as criminal history record  
22 information, citation information, stolen property information, traffic  
23 accident reports and wanted persons information. Criminal justice  
24 information does not include the administrative records of a criminal justice  
25 agency.

26 8. "Disposition" means information disclosing that a decision has  
27 been made not to bring criminal charges or that criminal proceedings have  
28 been concluded or information relating to sentencing, correctional  
29 supervision, release from correctional supervision, the outcome of an  
30 appellate review of criminal proceedings or executive clemency.

31 9. "Dissemination" means the written, oral or electronic  
32 communication or transfer of criminal justice information to individuals and  
33 agencies other than the criminal justice agency that maintains the  
34 information. Dissemination includes the act of confirming the existence or  
35 nonexistence of criminal justice information.

36 10. "Management control":

37 (a) Means the authority to set and enforce:

38 (i) Priorities regarding development and operation of criminal  
39 justice information systems and programs.

40 (ii) Standards for the selection, supervision and termination of  
41 personnel involved in the development of criminal justice information systems  
42 and programs and in the collection, maintenance, analysis and dissemination  
43 of criminal justice information.

44 (iii) Policies governing the operation of computers, circuits and  
45 telecommunications terminals used to process criminal justice information to

1 the extent that the equipment is used to process, store or transmit criminal  
2 justice information.

3 (b) Includes the supervision of equipment, systems design,  
4 programming and operating procedures necessary for the development and  
5 implementation of automated criminal justice information systems.

6 11. "Process control number" means the Arizona automated fingerprint  
7 identification system number that attaches to each arrest event at the time  
8 of fingerprinting and that is assigned to the arrest fingerprint card,  
9 disposition form and other pertinent documents.

10 12. "Secondary dissemination" means the dissemination of criminal  
11 justice information from an individual or agency that originally obtained the  
12 information from the central state repository or through the Arizona criminal  
13 justice information system to another individual or agency.

14 13. "Sexual orientation" means consensual homosexuality or  
15 heterosexuality.

16 14. "Subject of record" means the person who is the primary subject of  
17 a criminal justice record.

18 Sec. 24. Section 48-805, Arizona Revised Statutes, is amended to read:

19 48-805. Fire district; powers and duties

20 A. A fire district, through its board or elected chief and  
21 secretary-treasurer, shall:

22 1. Hold public meetings at least once each calendar month.

23 2. Prepare an annual budget containing detailed estimated expenditures  
24 for each fiscal year which shall clearly show salaries payable to employees  
25 of the district, including the elected or appointed chief. The budget shall  
26 be posted in three public places and published in a newspaper of general  
27 circulation in the district thirty days prior to a public hearing at a  
28 meeting called by the board or elected chief to adopt the budget. Copies of  
29 the budget shall also be available to members of the public upon written  
30 request to the district. Following the public hearing, the district board  
31 or elected chief and secretary-treasurer shall adopt a budget.

32 3. Determine the compensation payable to district personnel.

33 4. REQUIRE APPLICANTS FOR A PAID SWORN FIRE FIGHTER POSITION OR A  
34 RESERVE FIRE FIGHTER POSITION TO SUBMIT A FULL SET OF FINGERPRINTS TO THE  
35 FIRE DISTRICT. THE FIRE DISTRICT SHALL SUBMIT THE FINGERPRINTS TO THE  
36 DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL  
37 CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW  
38 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA  
39 WITH THE FEDERAL BUREAU OF INVESTIGATION.

40 B. A fire district, through its board or elected fire chief and  
41 secretary-treasurer, may:

42 1. Employ any personnel and provide services deemed necessary for fire  
43 protection, FOR preservation of life and for carrying out its other powers  
44 and duties, but a member of a district board shall not be an employee of the  
45 district.



1           2. Construct, purchase, lease, lease-purchase or otherwise acquire the  
2 following or any interest therein and, in connection with such construction  
3 or other acquisition, purchase, lease, lease-purchase or grant a lien on any  
4 or all of its present or future property including:

5           (a) Apparatus, water and rescue equipment including ambulances and  
6 equipment related to any of the foregoing.

7           (b) Land and buildings with equipment and furnishings to house  
8 equipment and personnel necessary for fire protection and preservation of  
9 life.

10          3. Finance the acquisition of property as provided in this section and  
11 costs incurred in connection with the issuance of bonds and request the  
12 issuance of bonds by the board of supervisors of the county in which the fire  
13 district is located as provided in section 48-806. Bonds shall not be issued  
14 without the consent of a majority of the electors of the district voting at  
15 an election held for that purpose. For the purposes of an election held  
16 under this paragraph, all persons who are eligible to vote in fire district  
17 elections under section 48-802 and who are owners of real property in the  
18 district are eligible to vote.

19          4. Assist the state fire marshal in the enforcement of fire protection  
20 standards of this state within the fire district including enforcement of the  
21 uniform fire code when expressly authorized by the state fire marshal.

22          5. After the approval of the qualified electors of the fire district  
23 voting at a regular district election or at a special election called for  
24 such purpose by the board of supervisors or at any election held in the  
25 county which encompasses the fire district, adopt the uniform fire code,  
26 which is a nationally recognized fire code approved by the state fire  
27 marshal. The words appearing upon the ballots shall be "Should  
28 \_\_\_\_\_ fire district adopt the uniform fire code, which is a  
29 nationally recognized fire code approved by the state fire marshal--yes",  
30 "Should \_\_\_\_\_ fire district adopt the uniform fire code, which is  
31 a nationally recognized fire code approved by the state fire marshal--no".  
32 Such code shall be enforced by the county attorney in the same manner as any  
33 other law or ordinance of the county. Any inspection or enforcement costs  
34 are the responsibility of the fire district involved. The district shall  
35 keep on file such code which shall be open to public inspection for a period  
36 of thirty days prior to any election for the purpose of adopting a fire code.

37          6. Amend or revise the adopted fire code with the approval of the  
38 state fire marshal and after a hearing held pursuant to posted and published  
39 notice as prescribed by subsection A, paragraph 2 of this section. The  
40 district shall keep three copies of the adopted code, amendments and  
41 revisions on file for public inspection.

42          7. Enter into an agreement procuring the services of an organized  
43 private fire protection company or a fire department of a neighboring city,  
44 town, district or settlement without impairing the powers granted to it.

1       8. Contract with a city or town for fire protection services for all  
2 or part of the city or town area until the city or town elects to provide  
3 regular fire department services to the area.

4       9. Retain a certified public accountant to perform an annual audit of  
5 district books.

6       10. Retain private legal counsel.

7       11. Accept gifts, contributions, bequests and grants and comply with  
8 any requirements of such gifts, contributions, bequests and grants not  
9 inconsistent with this article.

10      12. Enter into contracts and execute any agreements or instruments and  
11 do any other act necessary or appropriate to carry out its purposes.

12      13. Appropriate and expend annually such monies as are necessary for  
13 the purpose of fire districts belonging to and paying dues in the Arizona  
14 fire district association.

15      14. Adopt resolutions establishing fee schedules for providing fire  
16 protection services and services for the preservation of life including  
17 emergency fire and emergency medical services, plan reviews, standby charges,  
18 fire cause determination, users' fees, facilities benefit assessments or any  
19 other fee schedule that may be required.

20      C. The chairman and clerk of the district board or their respective  
21 designees or the elected chief and secretary-treasurer, as applicable, shall  
22 draw warrants on the county treasurer for money required to operate the  
23 district in accordance with the budget and, as so drawn, the warrants shall  
24 be sufficient to authorize the county treasurer to pay from the fire district  
25 fund.

26      D. The district shall not incur any debt or liability in excess of  
27 taxes levied and to be collected and the money actually available and  
28 unencumbered at the time in the fund, except as provided in subsection B,  
29 paragraph 2 of this section and in sections 48-806 and 48-807.

30      E. The county attorney may advise and represent the district when in  
31 his THE COUNTY ATTORNEY'S judgment such advice and representation are  
32 appropriate and not in conflict with his THE COUNTY ATTORNEY'S duties under  
33 section 11-532. If the county attorney is unable to advise and represent the  
34 district due to a conflict of interest, the district may retain private legal  
35 counsel or may request the attorney general to represent it, or both.

~~APPROVED BY THE GOVERNOR MAY 15, 2002.~~

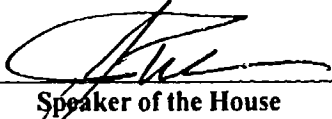
~~FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 15, 2002.~~

ON RECONSIDERATION

Passed the House May 1, 2002,

by the following vote: 33 Ayes,

20 Nays, 7 Not Voting

  
Speaker of the House

  
Chief Clerk of the House

Passed the Senate \_\_\_\_\_, 20\_\_\_\_,

by the following vote: \_\_\_\_\_ Ayes,

\_\_\_\_\_ Nays, \_\_\_\_\_ Not Voting

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

S.B. 1427

FAILED

Passed the House April 29, 20 02,

by the following vote: 30 Ayes,

26 Nays, 4 Not Voting

\_\_\_\_\_  
Speaker of the House

Norman L. Moore  
Chief Clerk of the House

Passed the Senate April 2, 20 02,

by the following vote: 20 Ayes,

6 Nays, 4 Not Voting

Kandice Amundson  
President of the Senate

Charmine Bellington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

S.B. 1427

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS  
AND FINAL PASSAGE

Passed the Senate May 9, 2002  
by the following vote: 25 Ayes,

2 Nays, 3 Not Voting

Randall Aron  
President of the Senate

Charmian Bellinger  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

9 day of May, 2002

at 2:48 o'clock P M.

Sandra Ramirez  
Secretary to the Governor

Approved this 15 day of

May, 2002

at 12:31 o'clock P M.

Janice K. Hull  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 15 day of May, 2002

at 4:39 o'clock P M.  
Pete Dwyer  
Secretary of State

S.B. 1427